

# *HOUSING CHOICE VOUCHER PROGRAM*

## *ADMINISTRATIVE PLAN*



NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS  
DIVISION OF HOUSING

JULY 2005



## TABLE OF CONTENTS

<b><u>Chapter</u></b>	<b><u>Page</u></b>
1. Administrative Authority	1-1
Definitions	1-2
2. Performing Outreach to Eligible Households	2-1
3. Outreach to Owners	3-1
Owner Disapproval	3-2
4. Processing Applications and Determining Eligibility	4-1
Screening for Drug Abuse and Other Criminal Activity	4-2
Debarred List	4-7
5. Selection of Households for Participation	5-1
Selection of Households for Participation in the Homeownership Program	5-2
6. Computing Family Rent to Owner	6-1
7. Briefing Families	7-1
Obligations of the Family	7-3
Absence From the Assisted Unit	7-5
Standards Used to Issue Vouchers	7-5
Extension of the Term of a Voucher	7-7
Housing Search Assistance	7-9
Security Deposits	7-9
Policy on the Authorization of Live-in Aides	7-9
Move With Continued Tenant-Based Assistance	7-11
Prohibition on Move Within the Initial Year of a Lease Agreement	7-13
8. Inspecting Units for Conformity to the H.Q.S.	8-1
Standards Used to Determine Acceptability of Unit Size	8-4
Waiver Procedures	8-5
9. Approving Leases and Executing Contracts	9-1
Rent Reasonableness Determinations	9-4
Exception Payment Standard Amount as a Reasonable Accommodation	9-5
Documentation of Property Ownership	9-6
10. Making Payment to Owners	10-1

## TABLE OF CONTENTS

<b><u>Chapter</u></b>	<b><u>Page</u></b>
11. Certifying and Recertifying Household Income	11-1
Annual Reexaminations	11-2
Interim Reexaminations	11-3
Special Circumstances	11-4
12. Portability	12-1
13. Reviewing and Adjusting Utility Allowances	13-1
14. Reinspecting Units Under Contract	14-1
Special Unit Inspections	14-1
15. Adjusting Contract Rents	15-1
Annual Adjustments	15-1
Interim Adjustments	15-1
16. Informal Review Procedures for Applicants and Informal Hearing Procedures for Participants	16-1
Informal Reviews	16-2
Informal Hearings	16-3
Failure to Appear	16-5
17. Payment Standard Amounts	17-1

	<b>EXHIBITS</b>	<b>Page</b>
1-1	PHA Authority to Administer the Program	1-11
1-2	Certification of Compliance With Equal Opportunity Requirements	1-13
2-1	Public Notice to Open Application Intake	2-4
4-1	Notice of Placement on the Waiting List	4-8
4-2	Denial of Placement on the Waiting List	4-9
4-3	Notice of Removal From the Waiting List	4-10
4-4	Processing Applications: An Overview of the DCA's Procedures	4-11
4-5	Notice of Return to Applicant	4-12
5-1	Illustration of the DCA's Applicant Selection Policy	5-12
5-2	Verification Standards for the Local Preferences	5-13
5-3	Certification of Disability	5-14
5-4	Programs Requiring Variations to the Standard Selection Policy	5-15
5-5	Notice of Change in Preference	5-19
7-1	Disclosure and Verification of Social Security Numbers	7-14
7-2	Certification That Household Member Has Not Been Assigned a Social Security Number	7-15
7-3	Certification of Inability to Document Social Security Number	7-16
7-4	Guidelines for Submission of Notice to the Landlord by a Program Participant	7-17
7-5	Notice of Extension of Voucher	7-18
7-6	Notice of Expiration of Voucher	7-19
7-7	Vacant Unit Referral Form	7-20

	<b>EXHIBITS</b>	<b>Page</b>
9-1	Notice of Disapproval	9-8
9-2	Preliminary Estimate of Family Contribution and Housing Assistance Payment	9-9
9-3	Notice of Housing Assistance Payment and Family Contribution	9-10
9-4	Request for HUD Approval of Exception Payment Standard Amount	9-11
10-1	Notice of Termination of Housing Assistance Payments Contract	10-3
11-1	Notice of Reexamination Appointment	11-5
11-2	Interim Reexamination Policy	11-6
11-3	Notice of Suspension of Housing Assistance Payments	11-7
12-1	Request for Portability	12-5
12-2	Letter to Household Acknowledging Receipt of Transfer	12-6
14-1	Inspection Notification Letter	14-5
14-2	Notice of Suspension of Housing Assistance Payments Contract	14-6
14-3	Guidelines for the Suspension of Housing Assistance Payments	14-7
14-4	Notice to Landlord for Repairs to an Assisted Unit	14-10
14-5	Breach of the Housing Quality Standards by the Household	14-11
14-6	Notice to Tenant for Repairs to an Assisted Unit	14-13
14-7	Notice to Tenant to Restore Utility Service	14-14
16-1	Guidelines for the Submission of a Notice of Intent to Terminate	16-7
16-2	Summary of Procedures to Terminate Program Participation	16-9
16-3	Initial Notice to Terminate Housing Assistance Payments Contract	16-10
16-4	Warning of Adverse Action	16-11
16-5	Initial Decision to Deny or Terminate Housing Assistance	16-12

	<b>EXHIBITS</b>	<b>Page</b>
16-6	Notice of Denial to Relocate and Initial Decision to Terminate Program Participation	16-13
16-7	Confirmation of Household's Request to Withdraw From the Program	16-14
16-8	Variations to the Standard Hearing Policy for the FSS Program	16-15
16-9	Acknowledgment of Request for Informal Hearing	16-17
16-10	Notice of Informal Hearing	16-18
16-11	Notice of Postponement of Informal Hearing	16-19
16-12	Informal Hearing Protocol	16-20
16-13	Notice of Failure to Appear	16-21
16-14	Guidelines for the Submission of Evidence	16-22
16-15	Request for Discovery	16-23
16-16	Notice to Owner of Postponement of Final Decision to Terminate	16-24
16-17	Notice of Final Decision to Terminate	16-25
16-18	Documents in Evidence	16-26

## **APPENDICES**

Appendix A: Determination of Family Rent to Owner

Appendix B: Guide to the Section 8 Housing Program

## ADMINISTRATIVE AUTHORITY

This document serves as the New Jersey Department of Community Affairs (DCA), Division of Housing, Housing Assistance Element's operational handbook for the implementation of the U. S. Department of Housing and Urban Development's (HUD) Housing Choice Voucher Program. It also functions as the DCA's *Administrative Plan* and complies with all of the requirements of 24 CFR §982.54, *Administrative plan*. Its purpose is to provide the program staff with the necessary guidance to consistently apply the discretionary policies and procedures adopted by the DCA in its administration of the Housing Choice Voucher Program. In accordance with 24 CFR §982.51 (*PHA authority to administer program*), evidence of the DCA's authority to administer the program is presented in EXHIBIT 1-1. In compliance with 24 CFR §982.53 (*Equal opportunity requirements*), the required certification is presented in EXHIBIT 1-2.

As part of a department of state government, the program acts without a Board of Commissioners. The Commissioner of the Department is the equivalent supervisory entity and, on the advice of the Division of Housing Fiscal Officer, is responsible for the review and approval of all proposed expenditures which may be made from the operating reserve for "other housing purposes."

The information in this document is organized in a chronological sequence that traces the standard progression of a household from a program applicant to a program participant. Each chapter examines a major component of this process and describes the specific functions that are performed by the program to assist those with the greatest housing need while meeting the PHA

responsibilities stipulated at 24 CFR §982.153.

## **Definitions**

The following words and terms are regularly used by the DCA in the administration of the program. In accordance with the regulatory requirements to do so, some of these definitions were created or modified to reflect the discretionary policies of the DCA. Unless the context clearly indicates otherwise, their meaning is as follows:

*Absence from unit.* As defined in 24 CFR §982.312 and to include the DCA's policy that identifies hospitalization as the only situation when an extended absence would be permitted. If a participant is away from an assisted unit for more than 30 consecutive days, he/she must notify the program in writing. A household may be away from an assisted unit for 120 consecutive days provided that proper written notice was given to the program. An extension of up to 60 additional days may be granted by the Assistant Director on a case-by-case basis for such reasons as an extended illness or rehabilitation.

*Annual income.* As defined in 24 CFR §5.609 and Appendix A of this *Administrative Plan*.

*Applicant break-up.* In accordance with 24 CFR §982.206(c), it is the policy of the DCA that an otherwise closed waiting list may remain open to former members of an applicant family that breaks up. On a case-by-case basis, a regional supervisor will give consideration to the former members of an applicant family who retain custody of the children, the interests of elderly or disabled household members, and to actual or threatened physical violence against the former members by a spouse or



other member of the applicant household.

*Continuously assisted.* As defined in 24 CFR §982.4 and §982.201(d) and to include the DCA's policy limiting the extent of the brief interruption of an applicant's prior participation to 120 days. The DCA will consider a low-income household for admission to the Housing Choice Voucher Program as continuously assisted if the household was a former participant of one of the DCA's Section 8 unit-based programs and extenuating circumstances exist.

*Contract unit.* Defined in the Housing Assistance Payments Contract as the housing unit rented by the tenant.

*Day.* A day is defined to mean any day of the year, including Saturdays, Sundays and legal holidays. It is the policy of the DCA to calculate time deadlines in consecutive days unless specified otherwise.

*Eligibility.* As defined in 24 CFR §982.201 and to include all the related definitions of HUD and the discretionary policies of the DCA.

*Exception rent.* In accordance with 24 CFR §982.503(c)(2), the HUD Field Office may approve the DCA's establishment of a payment standard in the "upper range" (110% to 120%) of the fair market rent if required as a reasonable accommodation for a family that includes a person with disabilities or for an exception area to address the higher cost of housing in the area. The DCA will apply to HUD for approval of exception rents on a case-by-case basis.

*Extenuating circumstances.* The following conditions are recognized by the DCA as extenuating circumstances that may effect the DCA's administration of the program:

- Domestic violence;
- A serious housing quality standards violation;
- A serious health and safety violation;
- A catastrophe such as a fire, flood or other act of nature; or
- A risk of violence against a household member as a reprisal for providing information to a law enforcement agency, or because of his/her race, color, religion, sex, national origin, handicap, or familial status.

On a case-by-case basis, the DCA may consider an exception to one of its standard policies if there is evidence that one of these conditions is present. In addition, the DCA may request a waiver from HUD, on a case-by-case basis, to one of the Housing Choice Voucher Program regulations if there is evidence that one of these conditions is present.

*Family.* As defined in 24 CFR §5.403 and to include the term "household" as defined by the DCA.

*Family break-up.* As defined in 24 CFR §982.315 and to include the DCA's policy to determine which members of an assisted family continues to receive assistance if the family breaks up. Generally, the assistance will remain with the household members who remain in the contract unit. On a case-by-case basis, the regional supervisor will give consideration to the household members who retain custody of the children, the interests of elderly or disabled household members, and to actual or threatened physical violence against the household members by a spouse or other member

of the household.

*Family composition.* As defined in 24 CFR §982.201 and to include the DCA's policy regarding the denial or the removal of an individual as a household member. The owner will determine who can live in the contract unit based on the owner's selection policies and in accordance with local and state law. The DCA, however, may prohibit any person who owes the program money or has committed fraud or abuse in any component of the Section 8 Program from being a member living in a contract unit or being a member of an applicant household.

*Family rent to owner.* As defined in 24 CFR §982.4. Appendix A, *Determination of Family Rent to Owner*, provides the guidelines on how the DCA determines a participant's share of the rent.

*Family unit size.* As defined in 24 CFR §982.4 and to include the DCA's "subsidy standards" to determine the appropriate number of bedrooms for a household (see Chapter 7).

*Guest policy.* As defined in the lease agreement and to include the DCA's policy limiting the visitation of any person to a maximum of sixty days during the twelve months comprising the household's annual certification period.

*Habitable room.* As defined in the New Jersey State Housing Code (5:28-1.2), habitable room means a room or enclosed floor space within a dwelling unit used or designed to be used for living, sleeping,

cooking or eating purposes, excluding bathrooms, water closet compartments, laundries, pantries, foyers or communicating corridors, closets, and storage spaces (see Chapter 8, item (b), Space and security).

*Hazard.* As defined in New Jersey Administrative Code (5:10-2.2), hazard means "a condition which because of faulty construction or maintenance of the premises creates significant and recognizable danger or risk to the health and safety of persons on or near the premises."

*Head of household.* As defined on page i of the *Family Report Form HUD-50058 (6/2001)*, and to include "tenant" as defined in 24 CFR §982.4.

*Household.* Two or more persons sharing a "domicile", as defined in 24 CFR §982.4, whose income and resources are available to meet the household's needs and who are related by blood, marriage, operation of law or who give evidence of a stable relationship that has existed over a period of time.

*Housing Assistance Payment.* As defined in 24 CFR §982.4 and to include the DCA's policy that the effective date of the initial payment will be for the first of the month. An exception to this policy may be considered if extenuating circumstances exist.

*Information about tenant.* As defined in 24 CFR §982.307(b) and to include the DCA's policy to inform a prospective owner or a household's current owner if a household owes rent or other amounts to

the program, or to another PHA. The DCA complies with the regulatory requirement to provide notice "to all families and to all owners" by inclusion of this policy in *The Guide to the Section 8 Housing Program* (Appendix B).

*Information packet.* As defined in 24 CFR §982.301(b). The DCA complies with the requirement of this section by providing every participant with a copy of *The Guide to the Section 8 Housing Program*, Appendix B of this Administrative Plan.

*Jurisdiction.* As defined in 24 CFR §982.4, the jurisdiction of the DCA is the State of New Jersey.

*Life-threatening.* "Failing conditions presenting an immediate danger to health and safety" (see page 30 of *Housing Inspection Manual: Section 8 Existing Housing Program* (HUD-605-(H)2, March, 1989)).

*Live-in aide.* As defined in 24 CFR §5.403 and Chapter 7 of this Administrative Plan. For the DCA to approve a live-in aide for a participant, a physician must submit a signed *Certification of Need for Live-in Aide* form (EXHIBIT A-11).

*Minimum rent.* As required by statutory authority and to include the DCA's policy establishing \$0.00 as a participant's minimum rent.

*Ordinary wear and tear* "means damage that takes place from normal, careful use of the property" (see page 9 of *Tenant's Rights in New Jersey*, published by the Legal Services of New Jersey, in 2000).

*Person with disabilities.* As defined on page i of the *Family Report* Form HUD-50058 (6/2001), a person with disabilities has one or more of the following:

- A disability as defined in Section 223 of the Social Security Act;
- A physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions; or
- A developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.

*Receipt of the housing assistance payment by the owner.* The housing assistance payment is deemed received by the owner on the date the program mailed the check to the owner.

*Remaining Member of an Assisted Household.* An individual remaining in a unit when other members of an assisted household have moved, unless this individual was an unrelated member of the former household who was necessary to care for the well-being of an elderly or disabled head of household or spouse and whose income was not counted for eligibility purposes or to determine total tenant payment.

*Residency preference.* As defined in 24 CFR §982.4, and to include the DCA's determination that for the purposes of selection, residency will be decided on a county-by-county basis.

*Selection policy.* As defined in Chapter 5 of this *Administrative Plan*.

*Shared housing.* Shared housing is a housing unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A family may consist of one or more household members. The DCA allows all families and individuals to participate in shared housing arrangements.

*Special housing types.* As defined in 24 CFR 982, Subpart M - Special Housing Types.

*Spouse.* Defined on page 14 of the *Family Report Form HUD-50058 Instruction Booklet* (6/6/2001), as "The marriage partner of the head of household."

*Subsidy standards.* As defined in 24 CFR §982.4 and to include the DCA's policy that establishes the standards used to determine the number of bedrooms listed on a household's Voucher and the exceptions to the standards (see Chapter 7).

*Suspension.* Stopping the clock on the term of a family's Voucher from the date the program receives a *Request for Approval of the Tenancy* form and the date the program approves or denies the request.

*Tenant.* As defined in 24 CFR §982.4 and to include "head of household."

*Tenant's legal capacity to enter a lease.* As defined in 24 CFR §982.308(a) and to include a head of household, under 18 years of age, who is able to provide a judicial decree of emancipation that entitles the minor to contract for necessities.

*Vacated unit.* The term “vacated unit” means that no member of the household is residing in the unit, the household has not advised the DCA of an absence from the unit and the household owes rent to the owner.



State of New Jersey  
Department of Law and Public Safety  
Division of Law  
Banking, Insurance and Public Securities Section  
Richard J. Hughes Justice Complex  
CN 112  
Trenton, NJ 08625

April 21, 1988

U.S. Department of Housing  
and Urban Development  
Newark Area Office  
Gateway 1, Raymond Plaza  
Newark, New Jersey 07102  
Attn: Area Office Director

Re: Certification of Department of Community Affairs, Division  
of Housing and Urban Renewal, as a Public Housing Agency

Dear Sir/Madam:

The following is a brief review of the Department of Community Affairs' qualification as a "public housing agency" and its authorization to participate in the Section 8 Housing Assistance Program.

The State Housing Authority was created in 1933 as a result of the Public Housing Law, N.J.S.A. 55:15-1 et seq. As part of its enabling legislation, it was authorized to have state-wide responsibility for the acquisition, demolition, reconstruction and construction of public housing. N.J.S.A. 55:15-2,3 and 10. In 1944 the Authority was abolished but its respective functions, powers and duties devolved upon the Department of Economic Development. N.J.S.A. 52:27C-5. The devolution makes clear the Department of Economic Development succeeded to all of the powers of the Authority. N.J.S.A. 52:27C-18d. In addition, however, a Public Housing and Development Authority was specifically created within the Department. N.J.S.A. 52:27C-22. This "new" Authority was given additional powers including the power to apply for federal grants, acquire property by any lawful means and provide rental assistance grants.

April 21, 1988

Page 2

N.J.S.A. 52:27C-24. It was also specifically authorized to maintain and operate housing projects it was involved with. N.J.S.A. 52:27C-25.

In 1948 the Public Housing and Development Authority was transferred "intact" to the Department of Conservation and Economic Development. N.J.S.A. 13:1B-6. Shortly thereafter, by virtue of the State Housing Law of 1949, N.J.S.A. 55:14H7 et seq., the Authority's power to apply for grants, acquire property and administer housing projects was again greatly expanded. N.J.S.A. 55:14H-8, 9 and 10. Finally, in 1966 the Authority was continued as a body politic, but transferred to the Department of Community Affairs then being created, with its functions, powers and duties exercisable by the Commissioner of Community Affairs through the Division of Housing and Urban Renewal in that Department. N.J.S.A. 52:27D-22. Instructively, at that time the Department and Division and Commissioner were specifically authorized to apply for and accept grants from the federal government, in order to accomplish the purposes of the Department, and concomitantly, the Authority. N.J.S.A. 52:27D-10.

In light of the legislative history of the Public Housing and Development Authority and the rather specific powers granted to it to construct, administer and subsidize housing on a state-wide basis, it is my considered legal opinion that the Department, through the Division of Housing and Urban Renewal, qualifies as a "Public Housing Agency" within the meaning of Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, 42 U.S.C.A. 1437f(b)(1); as well as within the meaning of 24 C.F.R. 883.103. It is also abundantly clear that the Department is legally qualified and authorized to participate in the Section 8 Housing Assistance Payments Program.

Very truly yours,

W. Cary Edwards  
Attorney General of New Jersey

By: \_\_\_\_/s/\_\_\_\_\_  
Eliaser Chaparro  
Deputy Attorney General

**Certification of Compliance with Equal Opportunity Requirements**

I certify that the New Jersey Department of Community Affairs, Division of Housing, Housing Choice Voucher Program will be administered in compliance with all equal opportunity requirements imposed by contract, or federal law, including applicable requirements under:

1. The Fair Housing Act;
2. Title VI of the Civil Rights Act of 1964;
3. The Age Discrimination Act of 1975;
4. Executive Order 11063, Equal Opportunity in Housing (1962);
5. Section 504 of the Rehabilitation Act of 1973; and
6. Title II of the Americans with Disabilities Act.

By: \_\_\_\_/s/\_\_\_\_\_  
Deborah Heinz  
Supervising Program Development Specialist  
Division of Housing

## PERFORMING OUTREACH TO ELIGIBLE HOUSEHOLDS

It is the policy of the DCA that all interested parties will be given an equal opportunity to apply when the availability of funding is announced. The Public Notice (EXHIBIT 2-1) and the *Application for Section 8 Housing Assistance* are combined as a display advertisement for publication in the newspaper with the greatest circulation in the subject jurisdiction. In addition to the public notice, the DCA shall distribute applications to social welfare agencies in the county, as well as to agencies serving non-English speaking persons. The Applicant Services Section coordinates this outreach activity with the Field Office Supervisor who has corresponding jurisdictional responsibility. The content of each public notice is dependent upon the funding requirements contained in the new and/or existing unit allocations and those characteristics that may be unique to the jurisdiction. The public notice is designed to provide the following information in accordance with 24 CFR §982.206, Waiting list: Opening and closing; public notice:

1. It announces that applications are being accepted.
2. It describes the program's basic eligibility requirements and the type of housing assistance the program provides.
3. It provides HUD's specific income limits for the jurisdiction and it identifies the number of applications that will be accepted.
4. It identifies the DCA's address and the proper method of mailing a completed application to the program.
5. It advises the applicant that written notification will be forthcoming regarding their placement or denial of placement on the waiting list.

The Regional Supervisors are responsible for:

1. Determining the appropriate date to commence application intake by reviewing the number of applicants on the waiting list.
2. Establishing a limit on the number of applications that should be accepted by estimating the maximum number of applicants necessary to maintain adequate leasing for 18 months.
3. Requesting the Applicant Services Section to place the public notice in the selected newspaper(s), including Spanish language publications.

The Applicant Services Section is responsible for:

1. Obtaining the approval of the program manager to place the public notice.
2. Placing the public notice in the selected newspaper(s) and reviewing the proof(s) prior to publication.

Applications received after the specified number of applications to be accepted has been reached are returned to the applicant households (EXHIBIT 4-5).

Program regulations, however, require the placement of an otherwise eligible household on a closed waiting list if:

1. HUD has awarded the DCA funding that is targeted for households in specified units (24 CFR §982.203) and the households residing in these specified units are not on the waiting list; or
2. HUD has awarded the DCA funding that is for a specified category of tenant (24 CFR §982.204 (e), Funding for specified category of waiting list families) and there are no households on the waiting list that meet the specified criteria.

To comply with HUD's requirement that a clear audit trail must be provided that verifies each applicant has been selected in accordance with the policies stipulated in Chapter 5, it is the policy of the DCA that every *Application for Section 8 Housing Assistance* that is included on the waiting list must be assigned a unique applicant key number. The computer program automatically assigns this number and an applicant cannot become a participant without an authorized applicant key number. While a field office can provide an application form to the applicant, this policy precludes a field office from processing the completed *Application for Section 8 Housing Assistance* for placement on the waiting list.

**PUBLIC NOTICE**

The New Jersey Department of Community Affairs, Division of Housing, announces the opening of the Housing Choice Voucher Program waiting list in XXXXX County. Applications for housing assistance will be accepted from elderly, disabled, single-member households and families based on the very low-income limits established by the U.S. Department of Housing and Urban Development. You must be eighteen (18) years of age or older to apply, or an emancipated minor. Because of limited funding only the first XXX applications will be accepted.

The Housing Choice Voucher Program is a rent subsidy program. New program participants may pay no more than 40 percent of their adjusted monthly income towards their monthly rent and utilities.

**INCOME LIMITS FOR XXXXX COUNTY****Number of Persons Per Household**

<u>1 Person</u>	<u>2 Persons</u>	<u>3 Persons</u>	<u>4 Persons</u>	<u>5 Persons</u>	<u>6 Persons</u>	<u>7 Persons</u>	<u>8 Persons</u>
XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

Please complete the *Application for Section 8 Housing Assistance* form and mail it to:

New Jersey Department of Community Affairs  
 Division of Housing  
 Housing Choice Voucher Program  
 Application Intake Section – XXXXX County  
 P.O. Box 051  
 Trenton, NJ 08625-0051

Certified, registered or special delivery mail may delay receipt of your application. Duplicate applications will not be accepted.

The first XXX eligible applications will be included on the waiting list based on the date the program received the applications. Written notification of an applicant's eligibility may take several weeks.



## **OUTREACH TO OWNERS**

The DCA recognizes that the continued success of the Housing Choice Voucher Program is dependent upon the participation of rental property owners who provide affordable housing that is decent, safe and sanitary. Since our original outreach efforts in 1976, the DCA has promoted a working relationship with over 16,000 property owners throughout the State of New Jersey.

Staff members occasionally appear as speakers before local property owner associations and real estate boards to discuss the program. This forum affords the opportunity to encourage non-participating owners and agents to join participating landlords in advising the DCA of their vacant units. The standard presentation includes a discussion of:

- The Franklin Tower One, L.L.C. v. N.M. decision;
- The owner's responsibility for screening and selection of the family to occupy the owner's unit;
- How the tenant's portion of the Rent to Owner is determined;
- The guarantee that the DCA will increase its portion of the Rent to Owner to compensate for a reduction in tenant income;
- The security that the DCA's portion of the Rent to Owner is paid directly to the owner;
- The extent of the program's liability for claims for unpaid rent and damages;
- The value of regularly scheduled housing inspections and courtesy evaluations of properties for potential participation; and
- The convenient location of the county field offices with a professional staff that is trained to explain and facilitate compliance with program requirements.



The *Guide to the Section 8 Housing Program* (APPENDIX B) is used in conjunction with these outreach efforts. In addition, the DCA sponsors workshops that provide technical assistance to owners and seminars that address recent program developments.

The most effective marketing effort of the DCA has proven to be the presentation given by a program representative directly to an owner. Therefore, an applicant is discouraged from discussing the program in detail with the property owner because this is the role of the program representative. It is the responsibility of the program representative to schedule a meeting with the owner or his/her agent at a mutually convenient time and location. A minimum of one hour is scheduled to explain the program to a new owner. An applicant is advised at the briefing session that the program representative will discuss with the property owner the benefits and requirements of the Housing Choice Voucher Program.

### **Owner Disapproval**

The program will deny lease approval if it is required to do so in accordance with 24 CFR §982.306 and for the following reasons:

- The DCA is required to deny approval by state law.
- The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements, and such action is pending.
- A court or administrative agency has determined that the owner violated the Fair Housing Act, or other federal opportunity requirements.

- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 UCS 1437f).
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- The owner has engaged in any drug-related criminal activity or any violent criminal activity.
- The owner has a history or practice of non-compliance with the housing quality standards for units leased under the Housing Choice Voucher Program, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.
- The owner is included on the program's debarred list.
- The owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. Such relatives of assisted families may be allowed to be participating landlords for the assisted housing unit to provide reasonable accommodation to a person with disabilities. This rule applies only at the initial lease and does not apply to continued tenancy in the same unit.

## PROCESSING APPLICATIONS AND DETERMINING ELIGIBILITY

The DCA has established the Applicant Services Section to ensure that the initial assessment of each applicant's eligibility is performed in a uniform and consistent manner. This unit is responsible for the centralized processing of all *Applications for Section 8 Housing Assistance* received by the program. An applicant must mail his/her application to this unit (see Chapter 2). Each applicant is provided with a written acknowledgment when a determination of placement on the waiting list (EXHIBIT 4-1) or denial of placement on the waiting list (EXHIBIT 4-2) has been completed. A written explanation (EXHIBIT 4-3) is also given to the applicant when they are no longer eligible for placement on the waiting list. This notice is sent via regular mail and is kept, along with the family's application, for at least three years. Requests for reinstatement to the waiting list will be considered, with appropriate documentation, during this three-year period. The procedures for an ineligible applicant to obtain an "informal review" are presented in Chapter 16.

The DCA will ensure that all notices that are required to be sent are actually sent. The supervisor of the Customer Services Section will be responsible for monitoring this function.

It is the policy of the DCA that an otherwise eligible head of household must be at least 18 years of age, or an emancipated minor, for his/her *Application for Section 8 Housing Assistance* to be considered for eligibility. Those applications that pass the initial review of eligibility are input into the Housing Pro waiting list module. Any change to the computer record of an applicant must be submitted to the Applicant Services Section on a standardized route slip for implementation. This module produces a waiting list by position number for the selected county. Also included on the report are the applicant's name, social security number, application date, selection preference code,

and whether the applicant is an extremely low income family. An overview of this centralized process is presented in EXHIBIT 4-4.

### **Screening for Drug Abuse and Other Criminal Activity**

#### **Denial of Admission**

The program will deny admission of an applicant for drug abuse and other criminal activity in accordance with the provisions of 24 CFR §982.553 and the policies of the DCA:

- The DCA will deny admission of an applicant for three years if any household member was evicted from federally assisted housing for drug-related criminal activity. The three years begins on the date of the eviction. However, the program may admit the household if the member who engaged in drug-related criminal activity is no longer a member of the household or if he/she has successfully completed a supervised drug rehabilitation program.
- The DCA will deny admission of an applicant if an adult household member is currently engaging in illegal use of a drug. (Such use or possession must have occurred within three years before the date that the program provides notice to the household of the determination to deny admission.)
- The DCA will deny admission of an applicant if the program has reasonable cause to believe that a household member's illegal drug use or pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

- The DCA will deny admission of an applicant if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- The DCA will deny admission of an applicant if any household member is subject to a lifetime registration as a sex offender under a state registration program. The DCA will perform sex offender registration checks in the State of New Jersey and in other states where the household members are known to have resided.
- The DCA will deny admission of an applicant if any household member is currently engaged in, or has engaged in during a reasonable time<sup>1</sup> before admission, drug-related criminal activity; violent criminal activity; or other criminal activity which may threaten the health, safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or threaten the health or safety of the owner or the DCA staff.
- The DCA will deny admission of an applicant if there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or peaceful enjoyment of the premises by other residents.

### **Terminating Assistance**

The program will terminate program participants for drug abuse and other criminal activity in accordance with the provisions of 24 CFR §982.553 and the policies of the DCA:

- The DCA will terminate assistance for a household if any household member is currently

---

<sup>1</sup> The DCA has established three years as a “reasonable time” in which the applicant must not have engaged in these activities before admission.

engaged in any illegal use of a drug. (Such use or possession must have occurred within three years before the date that the program provides notice to the household of the determination to terminate assistance.)

- The DCA will terminate assistance for a household if the program has reasonable cause to believe that a household member's pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- The DCA will terminate assistance for a household if the program determines that a member of the household has been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- The DCA will terminate assistance for a household if the program determines that a member of the household has violated the obligations of participation under §982.551 not to engage in any drug-related criminal activity. (The drug-related criminal activity must have occurred within three years before the date that the program provides notice to the household of the determination to terminate assistance.)
- The DCA will terminate assistance for a household if the program determines that a member of the household has violated the obligations of participation under §982.551 not to engage in violent criminal activity. (The violent criminal activity must have occurred within three years before the date that the program provides notice to the household of the determination to terminate assistance.)
- The DCA will terminate assistance for a household if there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or peaceful enjoyment of the premises by other residents.

## **Consideration of Circumstances**

When denying or terminating assistance, the DCA will consider all relevant circumstances including the seriousness of the case, the extent of the participation by the household member, any mitigating circumstances related to the disability of a household member and the effect denial or termination would have on the household members not engaged in the activity.

The DCA reserves the right to require the household to exclude the offending member in order to continue receiving housing assistance.

The DCA will consider participation in or completion of a supervised drug or alcohol rehabilitation program if denial or termination of assistance is based on illegal use of drugs or alcohol abuse and the household member is no longer engaged in the behavior.

The DCA will require the applicant or participant to submit written certification of rehabilitation.

If the household includes a person with disabilities, the decision of the program is subject to consideration of reasonable accommodation.

The PHA will terminate assistance for criminal activity based on a “preponderance of the evidence” that a household member has engaged in the activity regardless of whether the household member has been arrested or convicted for such activity.

## **Access to Criminal Records**

The DCA has the authority to obtain criminal conviction records from the National Crime Information Center (NCIC), police departments, other law enforcement agencies and other sources such as the Internet or private databanks.

To obtain criminal history records, every applicant and participant household member over the age of 18 must sign a release form for the search of criminal records.

The DCA must ensure that any criminal records received by the program under the regulatory provisions are:

1. Maintained confidentially;
2. Not misused or improperly disseminated; and
3. Destroyed once the purpose for which the record was requested has been accomplished.

Before denying admission or terminating assistance, the program must provide the subject of the record (and the applicant or the head of household) with a copy of the criminal record. The program must notify the household of the proposed action and must provide the household an opportunity to contest the accuracy and relevance of the information.

The program may not pass along to the household the cost of a criminal records check.

All screening and termination of assistance procedures shall be administered fairly, and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality,



religion, familial status, handicap/disability, or gender, and in accordance with Chapter 16, *Informal Review Procedures for Applicants and Informal Hearing Procedures for Participants*.

### **Debarred List**

Whenever an applicant is a previous program participant who has been terminated for cause, the applicant shall be denied readmission to participate if there are grounds to deny as stated in §982.552. The applicant has the right to an informal review. To implement this policy, the program will maintain a "debarred list" of persons terminated for cause. Mere failure to list an applicant who is a previous program participant terminated for cause, shall not prevent applying the policy to the applicant.

Each field office supervisor must consult the debarred list before issuing a Voucher. If a field supervisor is aware that an applicant on the waiting list is a former program participant who was terminated for cause, the applicant is informed in writing that, subject to the applicant's right to an informal review, the applicant's name is being deleted from the waiting list.

Exceptions to debarment may be considered on a case-by-case basis for situations involving victims of domestic violence whose termination occurred while involved in an abusive relationship, recovering substance abusers, and other similar extenuating circumstances that contributed to the debarment. (See EXHIBIT 5-4, Programs Requiring Variations to the Standard Selection Policy, for the circumstances under which the Family Unification Program would consider selecting a "debarred" household.)

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice of Placement on the Waiting List**

<<Today's Date>>

<<Applicant Full Name>>

<<Applicant Address>>

<<Applicant CSZ>>

Dear <<Applicant Salutation>>:

I am pleased to inform you that you are eligible for assistance and have been placed on the Housing Choice Voucher Program waiting list.

Should your address or the size of your family change, you must contact this office to maintain your eligibility.

Sincerely,

Applicant Services

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Denial of Placement on the Waiting List**

<<Today's Date>>

<<Applicant Full Name>>

<<Applicant Address>>

<<Applicant CSZ>>

Dear <<Applicant Salutation>>:

I am sorry to inform you that you are not eligible for placement on the Section 8 Housing Program waiting list because your annual income exceeds the income limit established by the U.S. Department of Housing and Urban Development.

If you have evidence that this determination is incorrect, an informal review may be requested by writing within twenty days of the date of this notice. Your request must be sent to:

Supervisor of Applicant Services  
Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

We regret that we are unable to accept your application at this time.

Sincerely,

Applicant Services

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice of Removal From the Waiting List**

<<Today's Date>>

<<Applicant Full Name>>

<<Applicant Address>>

<<Applicant CSZ>>

Dear <<Applicant Salutation>>:

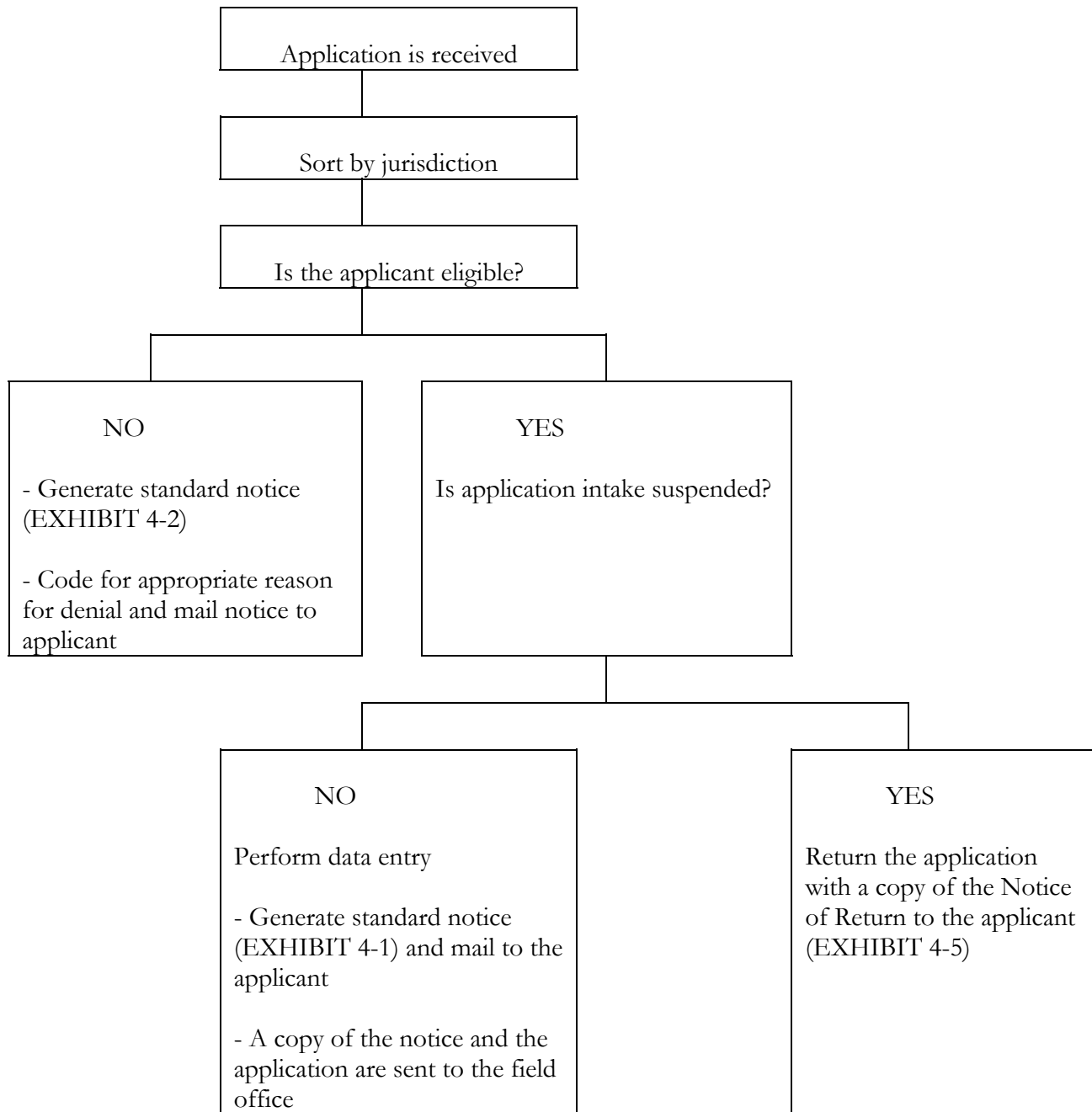
A review of your application for housing assistance indicates that you are no longer eligible for placement on the waiting list for the reason marked below:

- ☐ We received duplicate applications for the same county; therefore, one is being removed.
- ☐ We received written documentation from you that you are no longer interested.
- ☐ We did not receive a response to our request for information.
- ☐ Our request for information mailed to your address was returned "undeliverable."
- ☐ Your annual income exceeds the income limit established by the U.S. Department of Housing and Urban Development.
- ☐ You are no longer eligible because \_\_\_\_\_
- ☐ You, or a household member, have violated program regulations, specifically: \_\_\_\_\_

If you have evidence that this determination is incorrect, you may request an informal review in writing within twenty days from the date of this notice to: Applicant Services Section, P.O. Box 051, Trenton, NJ 08625-0051.

Sincerely,

Applicant Services

**PROCESSING APPLICATIONS: AN OVERVIEW OF THE DCA'S PROCEDURES**

State of New Jersey  
Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

**Notice of Return to Applicant**

<<Today's Date>>

<<Applicant Full Name>>

<<Applicant Address>>

<<Applicant CSZ>>

Dear <<Applicant Salutation>>:

We are in receipt of your application for:

- ☐ The Housing Choice Voucher Program;
- ☐ The Moderate Rehabilitation Program; or
- ☐ The Section 8 Single Room Occupancy Program.

The New Jersey Department of Community Affairs' Section 8 Housing Program cannot accept your *Application for Section 8 Housing Assistance* for the following reason:

☐ The program has suspended the processing of new applications in the county to which you applied because there is insufficient funding to assist all applicants currently included on the waiting list.

☐ Your application is a duplicate application. We suggest that you contact the Section 8 office where you applied and confirm that your file contains current information regarding your mailing address and household composition.

☐ You failed to complete the following item(s) on your application. Please do so and return your application as soon as possible.

- \_\_\_\_\_ Social Security Number for the Head of Household
- \_\_\_\_\_ Date of birth
- \_\_\_\_\_ Income information
- \_\_\_\_\_ Signature of the Head of Household
- \_\_\_\_\_ Other

☐ Other: \_\_\_\_\_

## **SELECTION OF HOUSEHOLDS FOR PARTICIPATION**

The selection process begins with the program's commitment to exceed the regulatory requirement that not less than 75 percent of the households admitted to the Housing Choice Voucher Program from the program's waiting list must be extremely low-income households. The DCA selection policy then employs a local preference for households that include a person with disabilities and to victims of domestic violence. Residency is a secondary preference that is used to further rank those applicants with a local preference and applicants without a preference. Applicants living in the county jurisdiction and applicants with a household member who works or who has been hired to work in the jurisdiction are offered assistance before non-residents of the jurisdiction. The residency preference will not have the purpose or effect of delaying or denying admission because of the applicant's age, race, color, religion, sex, or national origin.

The standards instituted by the DCA for verification of a local preference are presented in EXHIBIT 5-2.

Applicants who have not claimed a preference are afforded the opportunity to claim a preference at any time while on the waiting list. However, a change from no preference to a local preference will not be implemented without supporting documentation. Applicants are notified of their right to an informal review if their claim of a local preference is denied.

Date of placement on the waiting list is the final criteria used in the selection of applicants.

Applications are placed on the waiting list based on the date the program received the applications.

In selecting applicants for participation, the DCA will first offer assistance to Tier I applicants. If there are no Tier I applicants on the jurisdiction's waiting list, assistance is offered to Tier II applicants. If there are no Tier II applicants on the waiting list, assistance is offered to Tier III applicants.

Applicants selected from the waiting list must provide all required documentation within 15 business days of the date of the notice from the Housing Choice Voucher Program. Extenuating circumstances will be considered to provide reasonable accommodation on a case-by-case basis.

Programs that require variations to this standard selection policy are identified in EXHIBIT 5-4.

## **Selection of Households for Participation in the Homeownership Program**

### **General**

Consistent with Page 33 of the PHA Plan approved by the United States Department of Housing and Urban Development Newark State Office for the five-year period beginning on July 1, 2000, the New Jersey Department of Community Affairs (DCA) has elected to offer the first-time homebuyer homeownership option to certain participants in the Housing Choice Voucher Program.

### **First Time Homebuyer**

HUD defines “first-time homeowner” in 24 CFR §982.4(b) as a family in which no member



owned any present ownership interest in a residence of any family member during the three years before commencement of homeownership assistance for the family. This term includes a single parent or a displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

### **Special Housing Types**

The DCA will permit the use of manufactured homes when the family owns the home and leases the manufactured home space.

### **PHA Capacity**

The DCA has provided housing counseling by HUD-certified housing counselors through the State's Homelessness Prevention Program since 1984. This program assists homeowners who are in danger of mortgage foreclosure by providing counseling, referral, and financial assistance.

The DCA Family Self-Sufficiency Program has provided credit rehabilitation counseling, referral, career planning, job readiness and pre-homeownership counseling to approximately 1,300 families.

The FSS Program has assisted 119 families to become first-time homebuyers and currently administers escrow savings accounts for 403 families totaling nearly \$566,000. Since the inception of the program, the total of all escrow savings accounts exceeds \$3 million.

The DCA will contract with a HUD-certified housing counseling agency or an American

Homeowner Education and Counseling Institute (AHECI)—certified housing counseling agency to provide pre-homeownership counseling to program participants.

A minimum of eight hours of education and counseling will be provided to participants in group settings, or in one-on-one sessions. The training must comply with the minimum requirements of the certified housing counseling agency.

The DCA will access the services provided by the Capital Area Housing Resource Center, an AHECI-certified agency, and other HUD-certified housing counseling agencies for program participants.

The DCA will also refer participants to the New Jersey Housing and Mortgage Finance Agency and other lenders to apply for counseling, first-time homebuyer assistance, down payment assistance, and 30-year mortgages at below market interest rates.

The Community Health Law Project and the New Jersey Community Loan Fund will help to develop housing opportunities to provide reasonable accommodation for persons with disabilities.

The DCA will refer program participants to the U.S. Department of Housing and Urban Development, the New Jersey Division of Civil Rights, Legal Services of New Jersey and other agencies that may assist with complaints about housing discrimination, or unfair lending practices.

The Council on Affordable Housing will notify the program about new homeownership

opportunities that are created through the State's Mount Laurel requirements.

### **Number of Homeownership Families**

The DCA will not place a limit on the number of families that may participate in the Homeownership Program.

### **Additional Program Requirements for Participation**

#### **All Households**

All applicants for the homeownership vouchers must be participants in good standing with the Housing Choice Voucher Program and have a decent credit history.

The DCA will issue the homeownership voucher for 60 days with two 60-day extensions *after* the participant finds a home to purchase. Participants will be allowed 120 days to obtain financing and close on the property.

These allowable periods may be extended by the DCA to provide reasonable accommodation or for individual circumstances.

If a family fails to complete the purchase of a home within the period allowed by the DCA, the family may retain the Voucher for tenant-based rental assistance. The family may reapply for homeownership after one year.

### **Non-Elderly/Non-Disabled Households**

Housing Choice Voucher Program participants other than households in which the head of household or spouse is elderly or a person with disabilities must be active participants in good standing and must have participated in the Family Self-Sufficiency Program for at least one full year and have successfully achieved the goals established in their Contracts of Participation. FSS Program participants must also have established an escrow account with a current balance not less than \$1,000.

The DCA may accept non-FSS participants on a case-by-case basis.

Non-elderly and non-disabled applicants for the Homeownership Program must be employed full-time for at least one full year at the time they apply for the program. Full-time employment is defined as having worked at least thirty hours per week for 52 consecutive weeks at a rate of at least the prevailing minimum wage.

### **Minimum Income Required for DCA Program Participation**

Applicants for the Homeownership Program must have at least \$10,300 of earned income to be eligible for the program. However, for elderly or disabled applicants the minimum income requirement is 12 times the monthly SSI/SSD amount for the State of New Jersey.

### **Interruptions in Employment**

The DCA may grant exceptions to the full-year employment requirement if there has been an interruption in employment that was beyond the applicant's control and if it can be demonstrated

by the applicant that they were actively seeking other employment.

Exceptions to the full-time employment requirement may also be granted if the applicant can demonstrate that they terminated employment to upgrade their wages within the one-year period and, as a result, there was a break in employment no longer than 30 days.

### **Self-Employment**

Applicants who can demonstrate that they have been self-employed for at least one full year may be eligible for the program provided they have earned at least the required \$10,300 annual income over the previous twelve months.

### **Elderly/Disabled Households**

As stipulated in 24 CFR §982.627(d)(3) there are no employment standards or hours of work required for an elderly family or a disabled family.

Welfare assistance will be counted when determining the minimum annual income for an elderly family or a disabled family (see *Definitions* in 24 CFR §5.403).

Participation in the Family Self-Sufficiency Program will not be required for an elderly family or a disabled family.

### **Counseling Before Commencement of Homeownership**

Within 120 days before the commencement of the first attempt at homeownership, the

participant (head of household or spouse) will be required to complete the pre-homeownership counseling course. All costs for the homeownership counseling will be paid by the DCA.

If the family has successfully completed the pre-homeownership counseling course required for the homeownership program, and the family fails to succeed in the homeownership effort, the family shall not be required to complete the homeownership counseling again for future attempts at homeownership.

### **Financing the Purchase of a Home**

The Homeownership Program will prohibit the following types of financing for purchase of a home: Balloon payments and variable interest rates.

The DCA may review lender qualifications and the mortgage loan terms before authorizing homeownership assistance.

The DCA may disapprove proposed financing, refinancing or other debt if it determines that the debt is unaffordable, or if it determines that the lender or the loan terms do not meet program qualifications.

In making such determinations, the DCA may take into account other family expenses, such as childcare, unreimbursed medical expenses, homeownership expenses and other family expenses as determined by the DCA.

## **Financing and Affordability Requirements**

Financing and affordability requirements will be established by the DCA. HUD-certified housing counseling agencies will provide services to participants in the program in conjunction with generally accepted lending practices and subject to FHA mortgage insurance requirements if the home is financed with FHA mortgage insurance.

## **Down Payment or Equity Amount**

The DCA requires a minimum down payment of three percent. (One percent must be from the participant; the remaining two percent can be a gift or a grant.)

## **Determination of Homeownership Expenses**

The DCA will allow the following homeownership expenses:

- Principal and interest on initial mortgage debt;
- Any refinancing of such debt;
- Any mortgage insurance premium incurred to finance the purchase of the home;
- Real estate taxes and public assessments on the home;
- Homeowner's insurance;
- An allowance for maintenance expenses and the cost of major repairs and replacements (these amounts will be determined on a case-by-case basis);
- A monthly allowance for utilities;
- Principal and interest on mortgage debt incurred to finance the cost of major repairs, replacements or improvements to the home;

- Homeownership association fees;
- Condominium fees and service assessments;
- Fees for renting a manufactured home space, if required by a participant who purchases a manufactured home; and
- Debt incurred to finance the cost of modifications to the property to make it accessible for a family member who is a person with disabilities.

### **Homeownership Expenses for a Cooperative Member**

The DCA will determine the homeownership expenses for cooperative members on a case-by-case basis and in accordance with 24 CFR §982.635(c)(3).

### **Homeownership Assistance Payment for Mortgage**

The DCA will pay homeownership assistance payments directly to the lender on behalf of the family.

### **Portability**

Participants in the Homeownership Program will be prohibited from moving more than one time during any one-year period. Exceptions to this policy may be considered to provide reasonable accommodation or in cases involving domestic violence, a natural disaster, or other extenuating circumstances on a case-by-case basis.

### **Annual Housing Quality Inspections**

The DCA will conduct annual housing quality standards evaluations of all homes that are



purchased through the Homeownership Program. These evaluations will enable the program to assess the conditions of the homes and to provide any counseling or training that may be needed to sustain the homeownership opportunity for participating families.

## ILLUSTRATION OF THE DCA'S APPLICANT SELECTION POLICY

Tier 1. Special Admissions – Assistance  
Targeted By HUD<sup>1</sup>

Tier 2. Local Preferences:	Residents <sup>2</sup>
• Persons with Disabilities	
• Victims of Domestic Violence	Non-Residents

Tier 3. No Preference	Residents <sup>2</sup>
	Non-Residents

---

<sup>1</sup> The DCA will select a household that is not included on the waiting list, or without considering the household's waiting list position, if HUD awards the program funding that is targeted for households living in specified units.

<sup>2</sup> Applicants with a household member who works or who has been hired to work in the county jurisdiction are treated as residents of the county jurisdiction.

### **Verification Standards for the Local Preferences**

All documents received to verify a local preference must be dated and current. To be considered “current” a document must not be dated more than 60 days before the issuance date of a voucher to an applicant household. All certifications from a third party (including facsimile transmissions) must be on the agency’s letterhead, dated and signed by the appropriate representative of the agency. If verifications are more than 60 days old before a voucher is issued, new written verifications must be obtained.

#### **Households That Include a Person with Disabilities**

1. Documentation from the Social Security Administration that a member of the household is a disabled person who is receiving Social Security Disability or Supplemental Security Income benefits; or
2. Certification from a physician, on a *Certification of Disability* form (EXHIBIT 5-3), that a member of the household is a person with disabilities.

#### **Victims of Domestic Violence**

Official correspondence from a social services agency, the local police department, a court of competent jurisdiction, a clergyman, a physician, or a public or private facility that provides shelter or counseling to victims of domestic violence that the applicant:

1. Is currently living in a housing unit in which a member of the household engages in such violence. The actual or threatened violence must be of a continuing nature or have occurred within the past 120 days; or
2. The applicant has been displaced because of domestic violence and is not currently residing in standard, permanent replacement housing.

New Jersey Department of Community Affairs  
Division of Housing

*CERTIFICATION OF DISABILITY*

RE: \_\_\_\_\_  
(Name of person claiming disability)

The above-named person is a member of a household that has applied to participate in a federally assisted housing program administered by the New Jersey Department of Community Affairs. To determine program eligibility, we must verify whether he/she is a "person with disabilities" as defined by the U.S. Department of Housing and Urban Development.

A person with disabilities has one or more of the following:

1. A disability as defined in Section 223 of the Social Security Act;
2. A physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions; or
3. A developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.

**PHYSICIAN'S CERTIFICATION**

I certify that the above referenced person ☐ is, or ☐ is not a person with disabilities.

Physician's Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

Physician's Signature \_\_\_\_\_

Date of Signature \_\_\_\_\_

**PROGRAMS REQUIRING VARIATIONS TO THE STANDARD  
SELECTION POLICY**

**Family Unification Program (FUP)**

The DCA will first review its regular Housing Choice Voucher Program waiting list in administering this program.

An applicant who is not selected for participation in this program will not lose his or her place on the regular waiting list.

The opening of a suspended waiting list to add applicants when necessary will conform with the policy stated in Chapter 2 and will be restricted to households that meet the eligibility requirements of this program.

This procedure will not rely solely on referrals from the "public child welfare agency" participating in this program.

The DCA will use inter-departmental computer matching to identify those applicants who are included on the Housing Choice Voucher Program waiting list and who are also clients of the "public child welfare agency" to create a merged list for the Family Unification Program.

The "public child welfare agency" will use this merged list to refer only those families that appear to be otherwise eligible for the Housing Choice Voucher Program and meet the specific eligibility criteria required for participation in this program.

Selection from this merged list will be determined by the "public child welfare agency" and provide for the issuance of vouchers to Family Unification eligible households in a number equal to the vouchers provided by HUD.

The New Jersey Department of Human Services, Division of Youth and Family Services will perform the functions required of the "public child welfare agency."

The DCA has adopted an exception to the "debarred list" policy stated in Chapter 4 for the Family Unification Program. In selecting applicants for the FUP, the DCA will consider a previous Housing Choice Voucher Program participant who was terminated for cause under the following circumstances:

- He or she has successfully completed a substance abuse program recognized by the New Jersey Department of Health and Senior Services, and the Department of Human Services. Written documentation must be provided by the treatment agency, certifying that the substance abuse program participant has successfully completed the treatment program and is capable of functioning independently in the community with his/her children, with appropriate follow-up case management and/or supportive services to be provided by the

treatment agency.

- The DCA is provided with a copy of the general after care plan from the treatment agency.  
This report must outline the necessary steps that will be taken to preserve family unification and assist the household to remain in housing.
- The New Jersey Department of Human Services, Division of Youth and Family Services (DYFS) District Office Manager of the respective county provides a written certification that the substance abuse program participant is capable of independent living and will be monitored by a staff representative in accordance with DYFS regulations.
- If a "debarred" household that owes money to the Housing Choice Voucher Program is re-admitted under this exception, a repayment agreement must be executed before selection.  
The terms and conditions of the repayment agreement will be established by the DCA.

### **HOPE for Elderly Independence Program**

The DCA will first review its regular Housing Choice Voucher Program waiting list in administering this demonstration program.

An applicant who is not selected for participation in this demonstration program will not lose his or

her place on the regular waiting list.

The opening of a suspended waiting list to add applicants when necessary will conform with the policy stated in Chapter 2 and will be restricted to elderly applicants who meet the eligibility requirements of this demonstration program.

An applicant must be a resident of the jurisdiction where the demonstration is funded.

An applicant will be considered a frail elderly person if the applicant is:

1. A single individual who is 62 years of age or older;
2. A very low-income household; and
3. Deficient in at least three "activities of daily living."

Within this group of applicants, selection will be based on the date that the *Application for Section 8 Housing Assistance* was received.



State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice of Change in Preference**

<<Today's Date>>

<<Applicant Full Name>>

<<Applicant Address>>

<<Applicant CSZ>>

Dear <<Applicant Salutation>>:

The Housing Choice Voucher Program has performed a review of your *Application for Section 8 Housing Assistance*, and any supporting documentation. It was determined that your household's current circumstances required a change in your position on the waiting list.

Your household's *Application for Section 8 Housing Assistance* remains on the <<Agency>> County waiting list, but your position on the waiting list has been downgraded because (specify the reason why the applicant's claim of a local preference was denied).

If you believe that this determination is incorrect, an informal review may be requested by writing within twenty days of the date of this letter. Your request must be sent to:

Housing Choice Voucher Program Regional Supervisor  
Division of Housing  
<<Field Office Address>>  
<<City, State, Zip Code>>

Sincerely,

<<User Name>>

## **COMPUTING FAMILY RENT TO OWNER**

If it is determined that an applicant is eligible to participate in the Housing Choice Voucher Program, their program representative is responsible for providing the household with an estimate of what their total tenant payment will be. Total tenant payment is the greater of:

- 30% of the family's monthly adjusted income; or
- 10% of the family's monthly income.

The DCA has elected to set the minimum rent for every participant at \$0.00.

The final determination of the total tenant payment, family rent to owner, housing assistance payment, and utility reimbursement to the household are made by the Housing Pro computer software program. This program calculates all values and produces the notice of the amount of housing assistance payment to the owner and the participant (EXHIBIT 9-3).

## BRIEFING FAMILIES

Pertinent information regarding the Section 8 Tenant-Based Housing Program is presented in the DCA publication, *Guide to the Section 8 Housing Program* (APPENDIX B). This brochure ensures that the required briefing of families is conducted in a consistent manner. It also provides, in conjunction with updated hand-outs, all those materials that are required to be given as an "information packet" when a household is selected from the waiting list. The *Receipt for the Guide to the Section 8 Housing Program* is an acknowledgment by the household that this activity was performed and it is retained as part of the participant's file.

Depending upon individual circumstances, the briefing session is scheduled to occur in the field office or in the family's current residence. When auxiliary aids or supportive services are required to address the special needs of the household, a representative of the referring agency or a relative is encouraged to attend.

A significant number of the participants in the Housing Choice Voucher Program are elderly or persons with disabilities. In most cases, these households and individuals are briefed individually in their homes or at a service agency such as a sheltered workshop, mental health office or neighborhood center. In cases where applicants do not speak or understand English, the program relies on its own staff members who are bilingual or on other service agency staff members who conduct joint briefings with the DCA staff.

## **Complaints**

The procedure for filing complaints about program services will be explained in the tenant briefing. The name and telephone number of the field office supervisor and the regional supervisor will be provided to all program participants at the initial briefing and at the time of the annual reexamination.

## **Program Briefings for Participating Service Agencies**

Orientation sessions are also conducted for the staff of participating service agencies for the purpose of providing complete program information that can be relayed to potential applicants on a preliminary basis. This procedure is especially helpful for mental health agencies that are then better able to assist their clients with the program requirements. The standard agenda that the program utilizes in its briefings sessions for participating service agencies consists of the following items:

- Introduction to the Housing Choice Voucher Program
- Program origin and funding
- Eligibility requirements
- Application intake procedures
- Tenant selection preferences
- Summary of the Franklin Tower One, L.L.C. v. N.M. decision
- Overview of the housing quality standards
- Payment standard amounts
- Role of the participating service agency
- Documentation of family composition, annual income, and allowable income deductions

## **Obligations of the Family**

An emphasis is placed on the explanation of the family's responsibilities as outlined in the "Obligations of the Family" section of the Voucher. A copy of this form is provided to the household and it is stressed that the household's actions or inactions in performing these "obligations" affect both their initial program eligibility and their continued participation in the Housing Choice Voucher Program. Therefore, the DCA has established specific criteria and operational definitions to assist the household's understanding of these requirements and to measure their compliance. These standards are transmitted to the Voucher holder as follows:

### **The household must:**

1. Sign an *Authorization for the Release of Information/Privacy Act Notice* form, supply any certification, or documentation that the DCA determines to be necessary in the administration of the program and stipulate that all information provided by the household is true and complete;
2. Disclose and verify social security numbers (see EXHIBITS 7-1, 7-2 and 7-3);
3. Correct a breach of the housing quality standards caused by the household;
4. Allow the program access to the dwelling unit for initial, annual and special HQS inspections after reasonable notice;
5. Notify the program and the owner before the household moves out of the dwelling unit, or terminates the lease with written notice to the owner (see EXHIBIT 7-4);
6. Promptly give the program a copy of any owner eviction notice;

7. Use the assisted unit solely for residence of the family members listed on the lease and as the household's sole residence (the visitation of a guest is limited to a maximum of 60 days during the one-year certification period);
8. Promptly inform the program of the birth, adoption or court-awarded custody of a child. The household must request the program's approval to add any other household member as an occupant of the assisted unit;
9. Notify the program within ten days if any household member no longer resides in the assisted unit; and
10. Notify the program within ten days of an absence from the assisted unit.

**The household must not:**

1. Commit any serious or repeated violation of the lease;
2. Sublease, or rent the assisted unit, or any part of the assisted unit;
3. Assign the lease or transfer the assisted unit;
4. Own or have any interest in the dwelling unit, except that of a household assisted in cooperative housing or a mobile home where the household leases the pad;
5. Commit fraud (see §792.103 for definition), bribery or any other corrupt or criminal act in connection with the Housing Choice Voucher Program;
6. Engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises;
7. Abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises; and

8. Receive assistance under the Housing Choice Voucher Program while receiving a housing subsidy under any other federal, state or local housing assistance program.

### **Absence From the Assisted Unit**

A household may be required to temporarily leave their assisted housing unit because of illness or an emergency medical situation. If a household is absent from the assisted unit for an extended period because a household member is hospitalized, the program participant must provide written notice to the field office supervisor. The participant will be asked to provide an estimate of the hospitalization period to the field office supervisor. A program participant is required to continue to pay the tenant rent and any cost of utilities required under the lease during the "absence" from the assisted housing unit (see definition in Chapter 1).

Unless circumstances warrant, the period of vacancy will not exceed 120 days or the anniversary date of the HAP Contract, whichever comes first. The program manager, or designee, may grant an extension of up to an additional 60 days in cases of extended illness or rehabilitation. However, program regulations mandate (24 CFR §982.312 (a)) that the household "may not be absent for a period of more than 180 consecutive calendar days in any circumstance, or for any reason."

### **Standards Used to Issue Vouchers**

Vouchers are issued based upon family size and composition. These subsidy standards are applied consistently for all families of like size and composition. They are also consistent with the

space requirements under the housing quality standards (see "Standards Used to Determine Acceptability of Unit Size" in Chapter 8) and, therefore, meet the regulatory requirement to "provide for the smallest number of bedrooms needed to house a family without overcrowding."

<b>Subsidy Standards for Standard Issuance</b>	
<b>Voucher Size</b>	<b>Household Size</b>
0-bedroom	1
1-bedroom	1-2
2-bedroom	2-4
3-bedroom	4-6
4-bedroom	6-8
5-bedroom	8-10
6-bedroom	10-12

### **Exception Policy**

The household must request an exception to the subsidy standards in writing. The request should explain the reason(s) for the request and how a larger unit would improve the current circumstances of the household. The DCA shall grant an exception from the standard if it is determined that an exception is justified because of the age, sex, health, handicap, or relationship of family members or other personal circumstances. Examples include but are not limited to:

- Preventing the displacement of an elderly household;
- Providing reasonable accommodation to a person with disabilities who may require additional living space because of their disabling condition;



- Helping a household move from a high-poverty area by expanding their housing choices; or
- Helping a household maintain their residence in a low-poverty area.

Exceptions to the subsidy standards used to issue vouchers will be at the discretion of the field office supervisor. If an exception to the standard is approved, the field office supervisor must document the file by annotating the Voucher.

<b>Exception Policy Subsidy Standards</b>	
<b>Voucher Size</b>	<b>Household Size</b>
0-bedroom	N/A
1-bedroom	N/A
2-bedroom	N/A
3-bedroom	3
4-bedroom	4-5
5-bedroom	5-7
6-bedroom	6-9

### **Extension of the Term of a Voucher**

The term of a Housing Choice Voucher is sixty days. If a household fails to submit a *Request for Approval of the Tenancy* within the 60-day term, the household may request an extension.

The program will grant a 60-day extension if the household complies with the following:

1. The household's request must be in writing (see section 6 of the Voucher) and it must be received before the expiration date;

2. The household must contact their program representative at least bi-weekly to report progress in their search for suitable housing; and
3. The household must show that efforts have been made to locate acceptable housing by pursuing referrals from the field office and by contacting landlords, real estate agencies and other sources.

More than one extension of the term of the Voucher is possible. A second 60-day extension, to a cumulative total of 180 days, will be considered for households who have complied with the above stated requirements. Extensions beyond 180 days will be considered on a case-by-case basis as long as the household continues to make reasonable and appropriate efforts to locate acceptable housing.

In order to make the program more accessible and useable by a household with a member who is a person with a disability, the program will automatically extend the term of the Voucher to 120 days from the beginning of the initial term. The program will also grant an additional 120-day extension to help such households meet the housing requirements that are uniquely suited to the needs of persons with disabilities. Additional extensions of up to 60 days each will be considered on a case-by-case basis as long as the household continues to make reasonable and appropriate efforts to locate acceptable housing.

The DCA field office will notify the Voucher holder in writing of an extension or denial of an extension of the term of the Voucher (see EXHIBIT 7-5 and EXHIBIT 7-6). (See Chapter 9 for a discussion of the suspension, or tolling, of the term of a Voucher.)

## **Housing Search Assistance**

Our most viable resource to identify available housing are the property owners who participate in the program. Many participating owners recognize the program's benefits and inform the local field office of impending vacancies. The *Vacant Unit Referral Form* (EXHIBIT 7-7) was developed to create a list of available units that the program is aware of. This process has proven to be successful in advising voucher holders of available housing that meets their particular needs.

## **Security Deposits**

A prospective landlord may collect a security deposit from the tenant in accordance with state law. If the security deposit is not sufficient to cover amounts owed under the lease, the owner may seek to collect the balance from the tenant. Security deposit grants are available from the DCA on a limited basis for elderly individuals, persons with disabilities, and households that qualify for a local preference. The DCA may prohibit security deposits in excess of private market practice as described in 24 CFR §982.313 to help protect tenants from extraordinarily high security deposits.

## **Policy on the Authorization of Live-In Aides**

As defined in 24 CFR §5.403, a live-in aide is a person who resides with one or more elderly persons, or near-elderly persons, or a person with disabilities and who:

1. Is determined to be essential to the care and well being of the persons;
2. Is not obligated for the support of the persons; and
3. Would not be living in the unit except to provide the necessary supportive services.

In accordance with 24 CFR §982.316, *Live-in aide*, a household that consists of one or more elderly, near-elderly or disabled persons may request that the program approve a live-in aide to reside in the unit and provide necessary supportive services for a household member who is a person with disabilities. The program must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR Part 8 to make the program accessible to and usable by the household member with a disability. (See 24 CFR §982.402(b)(6) concerning effect of live-in aide on family unit size.)

At any time, the program may refuse to approve a particular person as a live-in aide, or may withdraw such approval, if:

1. The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
2. The person commits drug-related criminal activity or violent criminal activity; or
3. The person currently owes rent or other amounts to the program or to another public housing authority in connection with Section 8 or public housing assistance under the 1937 Act.

A live-in aide may not be otherwise employed during the hours that the live-in aide is essential to provide necessary supportive services to a person with disabilities.

A live-in aide that meets the requirements specified in the Code of Federal Regulations citations listed above will be approved by the DCA if the household submits a *Certification of Need For*

*Live-in Aide* form (EXHIBIT A-11) completed by a physician. The physician must specify the number of days per week and the number of hours per day that the live-in aide must provide the necessary supportive services.

The income of an employed person with his/her own legal residence who is not a member of the household before authorization as a live-in aide will be excluded from annual income when the person becomes a member of the assisted household as a live-in aide.

An employed person who is a member of the assisted household when the household requests that he/she be approved as a live-in aide will not be approved for live-in aide status.

### **Move With Continued Tenant-Based Assistance**

One of the obligations of participation requires an assisted household to notify the program and the owner before the household moves out of an assisted unit. If a household moves from their assisted housing without giving proper notice and occupies housing that has not passed the housing quality standards, and is therefore not eligible for housing assistance, the tenant would be responsible for the rent in full.

A participant's failure to provide proper notice to their landlord, before vacating an assisted unit, will result in the delay, denial, or termination of housing assistance to the household. A participant planning to relocate, within the jurisdiction of the DCA or through portability, should be financially prepared for an interruption in the housing assistance payments made on their behalf.

The household may have to assume full responsibility for all of their housing costs until the new unit that they have selected complies with all program requirements. The DCA will make every reasonable effort to complete the required HQS inspection(s), confirm that the rent is reasonable and conduct negotiations with the new owner in a timely manner. The household, however, must be prepared to assume the entire cost of their housing, without reimbursement from the program, until all of these mandated requirements have been satisfied.

Before a Voucher can be re-issued to a program participant to begin their housing search, the DCA must confirm that proper notice was given to their current landlord and that the household is otherwise eligible. The earliest a Voucher may be dated and re-issued to a current participant, who has given proper notice and who has been determined to be otherwise eligible, is 60 days prior to the last day of occupancy stated on their notice. For program purposes, this calculation is always computed from the last day of a month because each housing assistance payment represents a payment that is made for the entire month.

It is the policy of the DCA not to overlap the last housing assistance payment for the month when the household moves from the assisted unit to the new unit. Exceptions to this policy will be considered on a case-by-case basis if extenuating circumstances exist.

The program may approve overlapping housing assistance payments if the housing meets the federal housing quality standards at the time the tenant occupies the housing. This requires that the tenant give sufficient notice to the program to schedule an inspection before relocating. Further,

situations have occurred from time to time when tenants have occupied housing where the rent to owner is not a reasonable rent. In these circumstances, tenants are responsible for the payment of the rent if the owner will not enter into a HAP Contract for an amount determined to be reasonable.

### **Prohibition on Move Within the Initial Year of a Lease Agreement**

A participant may not move more than one time during the initial year of a lease agreement unless the lease agreement has been terminated by mutual agreement of the owner and the household; and extenuating circumstances exist (see definition in Chapter 1).

**DISCLOSURE AND VERIFICATION OF SOCIAL SECURITY NUMBERS**

The documentation necessary to verify the social security number (SSN) of an individual who is required<sup>1</sup> to disclose his or her SSN is a valid social security card issued by the Social Security Administration. Other documents the program will accept in lieu of a social security card are:

- Official correspondence or a computer print-out from the Social Security Administration;
- An original, current paycheck, benefit check, or check stub;
- Official correspondence from the Internal Revenue Service;
- A *Verification of Employment* form (EXHIBIT A-8) completed by the employer;
- A *Review of Documents* form (EXHIBIT A-2) completed by a program representative;
- Bank statements;
- Life insurance policies; or
- An identification card issued by a medical insurance company or provider (including Medicare and Medicaid).

---

<sup>1</sup> In accordance with 24 CFR §5.216(a), each assistance applicant and each member of the assistance applicant's household who is at least six years of age must disclose and verify their Social Security Number.



**Certification that Household Member Has Not Been Assigned a Social Security Number**

The U.S. Department of Housing and Urban Development requires all applicants for housing assistance and current program participants to disclose and verify the Social Security Number (SSN) of each household member who is at least six years of age.

Any member of the household who is subject to this requirement and who has not been assigned a SSN must certify that a SSN has not been assigned by signing this certification.

If the individual who is required to execute this certification is less than 18 years of age, his or her parent or guardian must execute it.

**Certifications**

I, \_\_\_\_\_ , certify that I have not been assigned a Social Security Number.  
(print name)

I, \_\_\_\_\_ , certify that \_\_\_\_\_ , a minor, whose parent or guardian I am, has not been assigned a Social Security Number.

Sworn to or affirmed before me this \_\_\_\_\_ day of \_\_\_\_\_ , 20 \_\_\_\_\_ .

My commission expires \_\_\_\_\_

Signature of Notary \_\_\_\_\_

Affix seal

\_\_\_\_\_  
Signature of Deponent

### Certification of Inability to Document Social Security Number

The U.S. Department of Housing and Urban Development requires all housing assistance applicants and participants to disclose and verify the Social Security Number (SSN) of each household member who has a SSN and is at least six years of age. Any member of the household who is subject to this requirement and who cannot provide acceptable verification of a SSN will be given sixty days or until

\_\_\_\_\_, 20 \_\_\_\_ to provide the necessary documentation.

If the individual who is required to execute this certification is less than 18 years of age, his or her parent or guardian must execute it.

### Certifications

I, \_\_\_\_\_, certify that a Social Security Number has been assigned to me  
(print name)  
but that I am unable to provide the necessary documentation at this time.

I, \_\_\_\_\_, certify that \_\_\_\_\_, a minor,  
(print name)  
whose parent or guardian I am, has been assigned a Social Security Number but is unable to provide the necessary documentation at this time.

Sworn to or affirmed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

My commission expires \_\_\_\_\_

Signature of Notary \_\_\_\_\_

Affix seal

\_\_\_\_\_  
Signature of Deponent

### **Guidelines for Submission of Notice to the Landlord by a Program Participant**

The household must provide written notice to their landlord regarding their intention to vacate the landlord's unit before moving from the assisted housing unit.

The notice must specify the household's final day of occupancy. (The last day of occupancy must be the last day of a month.)

The household is responsible for insuring that their landlord receives the written notice within the time period specified in their lease agreement.

A copy of the written notice that the household provides to the landlord must be mailed to the program on the same day that the notice is given to the landlord.

It is recommended that the notice to the landlord be sent certified mail return receipt requested so that the household has evidence of complying with the notice requirement of their lease agreement. The program will also verify with the landlord that he/she received the notice and that the household has not violated any other provisions of their lease agreement.

Under New Jersey law, a termination of tenancy notice from the owner to the tenant is not good cause for eviction. Assistance will continue if the tenant decides to remain in the housing unit.

### **Sample Notice by Tenant to Terminate Lease Agreement**

I, \_\_\_\_\_ (tenant's name) \_\_\_\_\_, the tenant, hereby give notice to \_\_\_\_\_ (landlord's name) \_\_\_\_\_, the landlord, of my household's intention to vacate the assisted housing unit located at \_\_\_\_\_ (address of the assisted unit) \_\_\_\_\_ owing no rent. The final day of our occupancy will be the last day of \_\_\_\_\_ (month) \_\_\_\_\_, 20 \_\_\_\_\_, and the unit will be free of damages beyond normal wear and tear.

\_\_\_\_\_  
Tenant's Name (print)

\_\_\_\_\_  
Tenant's Signature

\_\_\_\_\_  
Date

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice of Extension of Voucher**

<<Today's Date>>

Dear <<Applicant Full Name>>:

I have received your written request for an extension of your Voucher.

Your request for an extension has been approved and the expiration date of your Voucher is now <<Date>>. This means that you must give the program a *Request For Tenancy Approval* form signed by you and the owner of suitable housing by the date specified above.

Until the expiration date on the Voucher issued to you can be amended, it is recommended that you keep this letter in a safe place with your other important papers and documents.

Should you have any questions regarding this notice, please do not hesitate to call my office at <<PHA Phone>>.

Sincerely,

Field Office Supervisor

cc: Case file

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice of Expiration of Voucher**

<<Today's Date>>

Dear <<Applicant Full Name>>:

Please be advised that the period of time you have to locate housing that is eligible for assistance under the Housing Choice Voucher Program will expire on <<Date>>. This is at least sixty days from the date your Voucher was issued.

It has been determined that there will be no extension of your housing search period. Therefore, if the program has not received a *Request For Tenancy Approval* form by the expiration date, your Voucher will expire. Should you be unsuccessful in locating housing, you may submit a new *Application For Section 8 Housing Assistance* if the program is accepting applications.

Please do not hesitate to call my office at <<PHA Phone>> if you have any questions regarding this notice.

Sincerely,

Field Office Supervisor

cc: Case file

**VACANT UNIT REFERRAL FORM**

Number of Bedrooms: \_\_\_\_\_ Contract Rent: \_\_\_\_\_ Date Available: \_\_\_\_\_

Unit Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Utilities and Appliances:

Provided By  
The OwnerProvided By  
The Tenant

Specify Fuel Type

<input type="checkbox"/>	<input type="checkbox"/>	Heating Fuel:	_____
<input type="checkbox"/>	<input type="checkbox"/>	Water Heating:	_____
<input type="checkbox"/>	<input type="checkbox"/>	Cooking Fuel:	_____
<input type="checkbox"/>	<input type="checkbox"/>	Other Electric	
<input type="checkbox"/>	<input type="checkbox"/>	Water	
<input type="checkbox"/>	<input type="checkbox"/>	Sewer	
<input type="checkbox"/>	<input type="checkbox"/>	Trash Collection	
<input type="checkbox"/>	<input type="checkbox"/>	Stove/Range	
<input type="checkbox"/>	<input type="checkbox"/>	Microwave	
<input type="checkbox"/>	<input type="checkbox"/>	Refrigerator	

Owner/Agent: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

## INSPECTING UNITS FOR CONFORMITY TO THE H.Q.S.

The DCA adheres to the housing quality standards (HQS) performance requirements as specified in 24 CFR §982.401. In addition, all housing must meet the acceptability criteria, as well, except for the following variations:

**a) Sanitary facilities.** Hot water heaters must be free of hazardous conditions and equipped with a discharge line that terminates within 12 inches of the floor. They will not be permitted to be located in bedrooms or other living areas. Gas and electric hot water heaters located in a secondary room (a room not used for living) will be permitted provided the unit is otherwise free of hazardous conditions. Gas and electric hot water heaters will be permitted in a kitchen or bathroom provided that "safety dividers" or "shields" are installed to protect the occupants from any contact with the unit.

**b) Space and security.** The New Jersey multiple dwelling regulations are used to define a bedroom or living/sleeping room of "appropriate size." N.J.A.C. 5:10-22.3 *Floor Area*, states that every room occupied or intended to be occupied for sleeping purposes for one occupant shall have a minimum usable floor area of 70 square feet. Every room occupied or intended to be occupied for sleeping purposes by more than one occupant shall have a useable floor area of at least 50 square feet for each occupant (two occupants require a minimum of 100 square feet). To be considered a living/sleeping room, the smaller dimension of the room must not be less than seven feet; thus ensuring enough space to get past the bed.

**c) Thermal environment.** Adequate heat "appropriate for the climate" is not defined by the HQS. The DCA will comply with N.J.A.C. 5:10-14.4, *Minimum Temperature*, of the New Jersey multiple dwelling regulations which requires from October 1 of each year to the next succeeding May 1, every dwelling unit and every habitable room therein shall be maintained at a temperature of at least 68 degrees Fahrenheit between the hours of 6:00 A.M. and 11:00 P.M. and at least 65 degrees Fahrenheit between the hours of 11:00 P.M. and 6:00 A.M.

**d) Structure and materials.** This section is concerned with the structure of the ceilings, walls, and floors, but is silent regarding a minimum ceiling height or usable floor area. The New Jersey multiple dwelling regulations will again be utilized to provide a standard.

N.J.A.C. 5:10-22.5, *Required Ceiling Height*, requires a clear height of at least seven feet, zero inches, for a room to be considered a habitable room. The ceiling height in a non-habitable room is a tenant preference issue.

**e) Other interior/exterior hazards.**

1. All windows required to be openable under the HQS requirements must operate as designed.
2. All windows required to be openable under the HQS requirements must also comply with N.J.A.C. 5:10-10.1, *Screens*, which requires insect screens from May 1 to October 1 of each year.
3. A wall switch must operate a ceiling or wall mounted light fixture in a bathroom.



Should the DCA's housing standards conflict with a local housing code (i.e., refusal to issue a Certificate of Occupancy) the policy of the DCA will control. The DCA reserves the right to waive any of these HQS variations on a case-by-case basis with the authorization of the program manager, or designee.

### **Inspection Checklist**

In the interest of cost containment and greater efficiency, the program has developed a 1-page checklist for pass and fail items and a summary page for comments. New program representatives, however, are required to use the HUD *Inspection Form* 52580-A for at least three months or until they have demonstrated a thorough knowledge of inspection requirements and techniques.

### **HQS Training Procedures**

The DCA has established a systematic training program that incorporates all HUD training materials, including the audio-visual presentation, *Housing Inspection Manual* and the *Trainer's Manual for the Implementation of Training PHA Program Directors in the Housing Quality Standards of the Section 8 Existing Housing Program*.

Following the successful completion of this initial training, new program representatives are assigned to senior field staff for a period of at least two weeks for joint participation field inspections. New program representatives who demonstrate an acceptable proficiency in HQS evaluations after two weeks are then assigned an initial caseload. Field supervisors conduct weekly case management reviews with all program representatives in order to assess performance.

### **Standards Used to Determine Acceptability of Unit Size**

The DCA subsidy standards provide for the smallest subsidy level that will avoid overcrowding and will permit households to rent decent, safe and sanitary units with adequate space and security. Generally, there must be at least one bedroom or living/sleeping room of appropriate size for each two persons. The DCA's subsidy standards permit the following maximum occupancy, assuming a living room is used as a living/sleeping area:

<b>Unit Size</b>	<b>Maximum Occupancy</b>
0-bedroom	2
1-bedroom	4
2-bedroom	6
3-bedroom	8
4-bedroom	10
5-bedroom	12
6-bedroom	14

The DCA will not prohibit a family from renting a unit with fewer bedrooms than the number stated on the Voucher if the above criteria are satisfied. Persons of opposite sex, other than husband and wife or children under the age of seven, will not be required to occupy the same bedroom or living/sleeping room. For example, a family consisting of 3 members including a mother, a daughter over seven years of age and a son over seven years of age would be issued a two-bedroom Voucher. This would provide a sufficient number of bedrooms so that the children would not be required to share the same bedroom. Regardless of the number of bedrooms stated on the Voucher, no otherwise acceptable unit shall be disapproved because it is too large.

In accordance with regulatory requirements, the DCA shall grant an exception from the standard if it is determined that an exception is justified because of the relationship, age, sex, health or handicap of the household members, or other individual circumstances (see Chapter 7).

## **Waiver Procedures**

### **Waivers to the DCA's Standards**

Upon the determination of good cause, the program manager or designee may waive any DCA higher standard to the HQS. Each waiver shall be maintained as part of the case file with a written explanation of the specific reasons for the waiver.

The pertinent facts and justification in seeking the waiver must be provided in the form of a written memorandum by the requesting field office supervisor.

### **Waivers to HUD's HQS**

Upon the demonstration of good cause, the program manager or designee may submit a written request to the HUD-Newark office for a waiver to the HQS. The requesting field office supervisor must provide the documentation required to support the waiver. Each waiver that is approved shall be maintained as part of the case file.

## APPROVING LEASES AND EXECUTING CONTRACTS

The DCA uses the Housing Pro computer program developed by Happy Software, Inc. to provide accurate, orderly and prompt issuance of housing assistance payments. This process involves the timely processing of required program documents, adherence to a verification standard that ensures accurate calculations, the disbursement of funds by the New Jersey Department of the Treasury, and an integrated program that also produces data management reports. Each of these activities is assigned as a separate function within the organizational structure of the program. The absence of autonomy minimizes the opportunity for repetitive error and serves as a viable control. It also imposes a second review of the required items in a participant's file.

### County Field Offices

The submission of a *Request For Tenancy Approval* form will "stop the clock" during the term of the household's voucher (see Chapter 7) when the *Request For Tenancy Approval* form meets all of the following conditions:

- The *Request For Tenancy Approval* form must be signed and dated by both the Owner of the proposed unit and the head of household;
- The *Request For Tenancy Approval* form must have a copy of the Owner's proposed lease agreement attached to it;
- The *Request For Tenancy Approval* form must be received by the program during the term of the household's Voucher; and

- The *Request For Tenancy Approval* form must have a “Requested Beginning Date of Lease” (see item #3 on the form) that is not more than 30 days beyond the expiration date of the household's Voucher.

If the program disapproves the *Request For Tenancy Approval* form, a Notice of Disapproval (EXHIBIT 9-1) is sent to the household, and a copy is sent to the Owner. This notice specifies the reason(s) for disapproval and establishes the deadline by which the household must submit another *Request For Tenancy Approval* form for the proposed unit or any other rental unit.

The deadline specified in the Notice of Disapproval is not an extension of the voucher as described in Chapter 7. This procedure does not increase the number of days a household has to conduct their housing search. The deadline stipulated in the Notice of Disapproval merely amends the expiration date identified on the household's Voucher. The amended deadline reflects the number of days that the clock was officially stopped. The number of days is determined from the date the program receives the household's *Request For Tenancy Approval* form and the date on the Notice of Disapproval. The resulting number of days is then used to adjust the expiration date of the Voucher accordingly. For example: The expiration date of a Voucher is the 15th of the month. A *Request For Tenancy Approval* form is submitted that "stops the clock" for 3 days. The expiration date of the Voucher would be amended to the 18th of the month.

Program representatives are thoroughly trained to prepare and present the *Request For Tenancy Approval*, the lease agreement and the appropriate *Housing Assistance Payments Contract* (HAP Contract) for a property owner's signature. The program representative's presentation includes a

detailed explanation to the owner of all relevant program documents and emphasizes the importance of immediately advising the field office regarding any change affecting the lease agreement and the HAP Contract.

Owners are advised that they must include the *Tenancy Addendum*, which contains all the language required by HUD, as part of their lease agreement. Program representatives are capable of evaluating whether the Owner's standard lease agreement is acceptable under New Jersey law. Questions that require a legal interpretation of complex lease provisions are referred to the Office of Landlord/Tenant Information. The location of expert professionals within the same department greatly facilitates this process.

Program representatives allow sufficient time for a section-by-section review of the Housing Assistance Payments Contract with a property owner. When the owner agrees to participate in the program, his/her signature is secured on all required documents and the program representative performs verification of property ownership. The program representative is required to provide a written estimate (see EXHIBIT 9-2) to the household regarding the tenant's portion of the rent. During the term of the HAP Contract, any subsequent change in the tenant's portion of the rent requires the program representative to provide the household with the same written estimate at least 30 days prior to the effective date of the change.

### **Case Review**

In order to assure compliance with the regulations, the field office supervisors audit each

record that is entered into the Housing Pro database. These employees are trained to examine all aspects of the calculations necessary to determine the “Family rent to owner” and the amount of the housing assistance payment. The field office supervisors also review the program forms and verification documents to confirm that:

- Appropriate forms and documents are included and executed properly by both the participant and the owner; and
- Appropriate verification documents are included and adhere to established verification standards (EXHIBIT A-1).

Cases that are complete are locked-in for payment by the field office supervisor into the Housing Pro computer program database. The software calculates Family Rent to Owner and the amount of housing assistance payments in accordance with program regulations. It also generates the required notices to the participant and the owner (EXHIBIT 9-3) regarding the division in the Rent to Owner. A number of reports are produced for financial control and management of all Housing Assistance Payments Contracts in effect.

### **Rent Reasonableness Determinations**

The stated purpose of HUD's rent reasonableness limitation is to ensure that the federally subsidized rent does not exceed the fair rental value of the unit on the private unassisted market. To meet this objective, an initial and annual certification of rent reasonableness is performed for each housing unit selected for program participation. The design of the certification form used by the DCA is based on the format suggested by HUD in the *Public Housing Agency Administrative Practices*

*Handbook for the Section 8 Existing Housing Program* (7420.7, 11/79). The DCA form lists three examples of rents currently being charged for comparable units in the private unassisted market. A rental property is only listed on the certification form as a comparable unit when its location, age, size, housing type, quality of construction, amenities, facilities, property management, maintenance services and utilities are determined to be similar to the prospective unit. Once the program has certified the rent for a unit as reasonable, the household is free to select the unit unless other sections of the program regulations specifically prohibit (e.g. ineligible housing, ineligible owner, or housing not meeting HQS) its inclusion.

### **Exception Payment Standard Amount as a Reasonable Accommodation**

The DCA will request HUD Field Office approval of an exception payment standard amount above 110 percent of the FMR to 120 percent of the FMR for a household that is otherwise eligible (see 24 CFR §982.201) and includes a person with disabilities.

A certification from the field office supervisor on a *Request for HUD Approval of Exception Payment Standard Amount* form (EXHIBIT 9-4) explains how the rental property selected by the household addresses the disability of the household member. This certification describes how the unit's location, size, housing type, amenities, facilities, or specific adaptations/alterations made to it accommodate the household member's disabling condition.

The field office supervisor submits the form to the attention of the Supervisor of Field Operations along with the following materials:



- Documentation that the household includes a person with disabilities; and
- A completed *Certification of Rent Reasonableness* form.

The Supervisor of Field Operations reviews the materials submitted by the field office supervisor to ensure that the request for an exception rent is complete and includes all necessary documentation. A request determined to be incomplete is returned to the field office supervisor with instructions for corrective action. Requests deemed to be complete are forwarded to the HUD Field Office for consideration.

When an exception payment standard is approved, and a HAP Contract is negotiated, the request form and the materials included with the original request are submitted as part of the case packet to the Payment Auditing Section. If the request is not approved, the field office supervisor must advise the household and continue to assist them in their housing search.

### **Documentation of Property Ownership**

In addition to the Owner's certification on the Housing Assistance Payments Contract, it is the policy of the DCA to verify ownership of the assisted unit. The program representative, or staff member designated by the field office supervisor, is responsible for confirming property ownership by reviewing and making a photocopy of the most recent municipal tax bill. A substitution may be used if it clearly identifies both the assisted unit and the Owner as legally recorded. When the field office supervisor is satisfied that ownership of the assisted unit has been verified, a copy of the document used to verify property ownership is included in the file of record. Should a change in

ownership occur during the term of the HAP Contract, a *Request for Transfer of the Housing Assistance Payments Contract* form is executed. Court orders directing housing assistance payments to be made to parties other than the Owner specified on the Housing Assistance Payments Contract are forwarded to the Supervisor of the Payment Auditing Section for review and final determination.

### Notice of Disapproval

Dear Mr./Ms. XXXXXXXXXX :

This is a written acknowledgment that the *Request for Tenancy Approval* form that you submitted for the rental unit located at \_\_\_\_\_ was received on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. As indicated below, this *Request for Tenancy Approval* has been disapproved for the following reason(s):

<input type="checkbox"/> 1. The <i>Request for Tenancy Approval</i> was received after the expiration date of your Voucher.	<input type="checkbox"/> 6. The <i>Request for Tenancy Approval</i> has a requested beginning date for the lease (Item #3) that is more than 30 days beyond the expiration date of your Voucher.
<input type="checkbox"/> 2. You did not sign the <i>Request for Tenancy Approval</i> form.	<input type="checkbox"/> 7. The proposed unit does not meet the Section 8 Program's housing quality standards. A copy of our program's inspection report is attached.
<input type="checkbox"/> 3. The owner of the proposed rental unit did not sign the <i>Request for Tenancy Approval</i> form.	<input type="checkbox"/> 8. The tenant-paid utilities are not separately metered.
<input type="checkbox"/> 4. A copy of the owner's proposed lease was not attached.	<input type="checkbox"/> 9. If the initial gross rent for a unit exceeds the payment standard, the family share must not exceed 40 percent of the family's adjusted monthly income.
<input type="checkbox"/> 5. The <i>Request for Tenancy Approval</i> does not have a requested beginning date of the lease.	<input type="checkbox"/> 10. Other _____ _____

You are advised that your Voucher will expire on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. Any subsequent *Request For Tenancy Approval* that you submit to this agency, for the rental unit identified above or any other rental unit must be received no later than this deadline to be considered.

Sincerely,

Field Office Supervisor

cc: Owner

**Preliminary Estimate of Family Contribution  
And Housing Assistance Payment**

<<Today's Date>>

Head of Household  
Mailing Address  
City, State and Zip Code

Dear Mr./Ms. XXXXXXXXXX :

Effective on     (Date)     , your portion of the rent is estimated to be \$                      . You will receive a final written determination of your contribution from our Payment Auditing Section in Trenton.

This estimate is for a:

- ☐ New Admission
- ☐ Annual Reexamination
- ☐ Interim Reexamination
- ☐ Portability Move-in

Rent to Owner	\$ 999.99
Housing assistance payment to the Owner	\$ 999.99
Amount of rent you pay to the Owner	\$ 999.99

Please contact this office at <<PHA Phone>> if you have any questions regarding this estimate.

Sincerely,

Field Representative

cc:     Owner  
       Tenant File

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**NOTICE OF HOUSING ASSISTANCE PAYMENT AND FAMILY CONTRIBUTION**

<<Today's Date>>

<<Tenant Mailing Address>>

Dear <<Tenant Full Name>>:

The Housing Assistance Program has determined your contribution and the Housing Assistance Payment to the Owner for the housing unit located at <<Unit Address>>.

Total monthly rent: \$<<Contract Rent>>

Amount of housing assistance the program pays to the Owner: \$<<HAP>>

Amount of rent you pay to the Owner: \$<<Tenant Rent>>

Additional payment to you for utilities: \$<<Utility Reimbursement>>

These payments are effective from <<Effective Date>> and will continue until <<Lease Date End>> unless the program authorizes an adjustment or the Housing Assistance Payments Contract is cancelled.

If you have any questions please contact <<User Name>> at <<PHA Phone>>.

cc: <<Owner Name>>  
<<Owner Address>>  
<<Owner CSZ>>

### Request for HUD Approval of Exception Payment Standard Amount

Pursuant to 24 CFR §982.503 of the federal regulations, a higher payment standard amount within the upper range (between 110 percent and 120 percent of the published FMR) is requested as a reasonable accommodation for the following household that includes a person with disabilities:

Voucher Holder \_\_\_\_\_

Unit Address \_\_\_\_\_

Unit Size \_\_\_\_\_ Voucher Size \_\_\_\_\_ Proposed Payment Standard \_\_\_\_\_

	Current	Proposed
Rent to Owner	\$ _____	\$ _____
Utility Allowance	\$ _____	\$ _____
Gross Rent of Unit	\$ _____	\$ _____

Requested beginning date of lease \_\_\_\_\_

Does the household currently reside in the unit? Yes ☐ No ☐

Describe the unique needs of the household that are met by this unit: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I certify that the requested gross rent for the subject unit is reasonable and that the unit cannot be rented for less.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Field Office Supervisor

Pursuant to 24 CFR §982.503 of the federal regulations, the requested higher payment standard amount for the household listed above is approved.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Director, Office of Public Housing

## **MAKING PAYMENT TO OWNERS**

All payments are disbursed by the New Jersey Department of the Treasury. Specific dates for submission of payment orders to the Treasury are established in advance for each month of the year.

The Housing Choice Voucher Program has set deadlines for entering records into the Housing Pro database to ensure coordination with the dates scheduled by the Treasury. Program representatives are informed of the established deadlines, and therefore, can advise owners of the approximate payment date.

The accuracy of all payments is assured by the use of the Housing Pro computer program by Happy Software, Inc.

The DCA has established procedures to ensure the integrity of the payments system. These procedures require the field office supervisors to review all cases once the required data is entered into the Housing Pro database. The field office supervisors are responsible for reviewing and approving case documentation including family composition data, medical expenses, verification of income, and any other documents affecting the amount of housing assistance payments.

Following the review and approval of case documentation, the field office supervisor will lock-in the record in the occupancy module of the computer program. Each month, this data is imported into the payments module to produce the housing assistance payments to the owners and utility reimbursement payments to program participants. The Department of the Treasury disburses

all payments at the beginning of each month.

If a *Housing Assistance Payments Contract* is terminated, the owner is given proper notice (EXHIBIT 10-1) as defined by the contract.

An annual function of the program's information and technology unit is to report housing assistance payments to the U.S. Department of the Treasury, Internal Revenue Service (IRS). Every participating property owner is made aware of this and provides their tax identification number or Social Security Number to enable the program to comply with IRS reporting requirements. Form 1099, Miscellaneous Income, is mailed to the property owners by the deadline imposed by the IRS. This information is also electronically submitted to the IRS.



**Notice of Termination of Housing Assistance Payments Contract**

<<Today's Date>>

<<Owner Name>>

<<Owner Address>>

<<Owner CSZ>>

RE: <<Tenant Full Name>>  
<<Tenant ID>>

Dear <<Owner Salutation>>:

Please be advised that the Housing Assistance Payments Contract negotiated on behalf of <<Tenant Full Name>>, for the unit located at <<Unit Address>>, has been cancelled effective <<Termination Date>> in accordance with program regulations.

Therefore, the program will no longer make housing assistance payments for this dwelling unit after the date specified above.

Should you require any additional information, please contact your program representative at <<PHA Phone>>.

Sincerely,

Housing Assistance Element

cc: <<Tenant Mailing Address>>

## **CERTIFYING AND RECERTIFYING HOUSEHOLD INCOME**

The DCA emphasizes the obligation of the head of household to report all sources of income to the program. The program will document all income reported, but will count as income only that which is defined as income by the program regulations.

The verification standards used by the DCA to determine annual income are not unduly restrictive, but still minimize the potential for fraud and program abuse. A summary of the DCA's verification standards is presented in EXHIBIT A-1 of APPENDIX A, *Determination of Family Rent to Owner*. APPENDIX A also contains examples of the forms that are used to compile and verify a household's total annual income and the calculation of their share of the rent.

The preferred method of documentation is written third party verification. A notarized certification from the household may be accepted when third party verification is not possible. The person who notarizes a document submitted to the program may not be an employee of the program.

All verification documents must be dated and current. The date on a document used to determine initial program eligibility and initial total tenant payment must not be dated more than 60 days before the issuance date of a Voucher. At the time of execution of a HAP Contract, the program representative will reconfirm household composition and total annual income. If circumstances have not changed, according to the family, the program does not have to obtain new verifications. If a change in circumstances has occurred, new verifications must be obtained.

For annual reexaminations and interim reexaminations of household income and composition, a 120-day validity period is the standard.

Regardless of the circumstances (annual or interim) that require a reexamination to be scheduled, a household's refusal to submit the requested verification materials or to sign an *Authorization for the Release of Information/Privacy Act Notice* form is sufficient reason to terminate their participation in the program.

The DCA has a cooperative agreement with the New Jersey Department of Labor, a State Wage Information Collection Agency (SWICA), to obtain income information about program applicants and participants in accordance with 24 CFR, Part 5, Subpart B. The program can electronically access information about an individual's wages, unemployment benefits and disability income directly from the Department of Labor's computer files. The program also has electronic access to a household's credit history as well. This information is compared to what the household has reported as their income to identify any inconsistencies and to ensure that the information reported to the program is complete and accurate.

Whenever the determination of family rent to owner results in a housing assistance payment equal to zero, a *Notice of Suspension of Housing Assistance Payment* (EXHIBIT 11-3) is sent to both the participant and the landlord.

### **Annual Reexaminations**

The Housing Pro computer program provides a report that lists all participants who are

scheduled for annual reexamination for a particular month. This system also produces a written notice to the household (EXHIBIT 11-1) that outlines the standard procedures for reexamination. These reports are produced at the field offices and the field office supervisors use them to make work assignments for their program representatives. The program representatives are responsible for documenting all household income and verifying that the household is complying with all other requirements for participation. For greater program integrity, case assignments are alternated each year, whenever possible, so that a program representative will not receive the same case assignment two years in a row.

### **Interim Reexaminations**

Program regulations require participants to inform the program of the birth, adoption or court-awarded custody of a child. Except under these three specific situations, the household must request the program's approval to add any other person as an occupant of the assisted unit. It is also an obligation of the household to notify the program within ten days if any household member no longer resides in the assisted unit.

It is the policy of the program that all participants must provide written notice to the program, within ten days, of any change in household composition. Households are advised of this policy in the *Guide to the Section 8 Housing Program* (APPENDIX B). An interim reexamination *Family Report* (HUD-50058) is completed as evidence of the household meeting their regulatory obligation and acknowledgment by the DCA that the change is officially approved.

The policies of the DCA regarding interim changes in household income are presented in EXHIBIT 11-2. A reduction in family rent to owner can take effect on the first of the month, if the household adheres to the required reexamination procedures and the documentation that is received meets the verification standards. If the family rent to owner is increased, the change will become effective on the first of the month, but the household must be given a minimum of 30 days advance written notice of the increase.

### **Special Circumstances**

If it is not feasible to anticipate a level of income over a twelve-month period, the income anticipated for a shorter period may be annualized, subject to a reexamination at the end of the shorter period. The objective is to avoid repetitive adjustments in family rent to owner and to document the most appropriate income to accurately project total annual income.

A household reporting no income source must certify this status on a month-to-month basis. This certification (EXHIBIT A-3) by the head of household is required until an income source is verified.

**Notice of Reexamination Appointment**

&lt;&lt;Today's Date&gt;&gt;

&lt;&lt;Tenant Full Name&gt;&gt;

&lt;&lt;Tenant Address&gt;&gt;

&lt;&lt;Tenant CSZ&gt;&gt;

Dear &lt;&lt;Tenant Full Name&gt;&gt;:

Rental assistance provided to you at your current address is scheduled to terminate on <<Recert Date>> unless the information in your file is updated. If you wish to have your rental assistance continued, you and all members of your household age 18 and over must complete each of the enclosed forms as follows:

1. *Authorization for the Release of Information.* This form must be signed by you and all persons age 18 and over who will reside in the assisted unit.
2. *Tenant Information Form.* This form must be completed and signed by you. All information requested for all persons who will reside in the assisted unit must be provided.

In addition, you must provide a photocopy of the social security card for each new person added to your family since your last annual reexamination, if he or she is at least six years of age.

Please have these documents, and any other requested documents with you at your reexamination appointment. We have scheduled your reexamination appointment at our office for the following date and time:

Appointment Date: &lt;&lt;Appointment Date&gt;&gt;

Appointment Time: &lt;&lt;Appointment Time&gt;&gt;

If you are unable to keep this appointment, you must notify us immediately at <<PHA Phone>> so we can reschedule. Failure to keep this appointment for any reason may result in the termination of your rental assistance.

Sincerely,

&lt;&lt;User Name&gt;&gt;

## **INTERIM REEXAMINATION POLICY**

Pursuant to program regulations, a participant may request an interim reexamination of household income or composition because of any changes since the last determination by the program.

The policy of the DCA to make a change in family rent to owner because of an interim reexamination is as follows:

### **Increasing Family Rent to Owner**

The DCA will increase family rent to owner only under the following circumstances:

1. A new member of the household provides the household with an additional source of income; or
2. A household reporting no income begins to receive income.

### **Decreasing Family Rent to Owner**

The DCA will decrease family rent to owner if the household requests an interim reexamination of household income or composition and the reexamination of the household's current circumstances corroborates that a reduction in family rent to owner would result.

---

Note: Documentation of the household's current circumstances must meet the DCA's verification requirements (see APPENDIX A-1).

A participant in the Family Self-Sufficiency Program who receives an increase in wages may request an interim reexamination to establish an escrow account or to increase an existing escrow account.

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice of Suspension of Housing Assistance Payments**

<<Today's Date>>

<<Tenant Full Name>>

<<Tenant Address>>

<<Tenant CSZ>>

Dear <<Tenant Full Name>>:

A recent review of your eligibility under the Housing Choice Voucher Program or the Moderate Rehabilitation Program has revealed that housing assistance payments to your landlord must be suspended because your portion of the rent equals the total contract rent. Therefore, you will be responsible for payment of the total contract rent as of <<Effective Date>>.

Suspension of the rental subsidy does not affect your other rights under the lease.

\_\_\_\_\_ **Housing Choice Voucher Program.** If there is a change in your income, rent or other relevant circumstances within ☐ 6 months or within ☐ 12 months from the date of the suspension, you may still be eligible for assistance.

\_\_\_\_\_ **Moderate Rehabilitation Program.** If there is a change in your income, rent or other relevant circumstances and the contract between the owner and the program has not expired or been terminated, you may still be eligible for assistance but only for the unit which you presently occupy.

You have a right to request an informal hearing within 20 days of the date of this notice. For further information, please contact your program representative at <<PHA Phone>>.

Sincerely,

<<User Name>>

cc: <<Owner Name>>  
<<Owner Address>>  
<<Owner CSZ>>



## **PORTABILITY**

Before the program will issue a new Voucher to a participant household, the household must comply with the regulatory requirements concerning a move with continued assistance (see §982.314). The effective date of the Voucher and the actual date of issuance cannot be more than 60 days before the termination date of the HAP Contract. This policy prevents duplicative housing assistance being provided to a household unless an emergent reason exists, both PHAs agree, and the overlap of housing assistance does not exceed one month. For example: A participant provides 30 or 60 days advance written notice of his/her intention to vacate the assisted unit on the 31st of May. The program must first verify that the notice is in accordance with the lease and verify that the household is otherwise eligible. If the household is otherwise eligible, the earliest issuance and effective date for the new voucher is the 1st of April.

A household may move more than once under the portability procedures but a subsequent portability move to another PHA's jurisdiction will be limited to not more than one in any twelve month period.

### **Intra-Jurisdictional Portability (Within DCA's Jurisdiction)**

#### **Responsibilities of the Initial Field Office**

- Complete a *Family Report* (HUD-50058).
- Verify the household's current total annual income.

- If the household is an applicant, determine if the household is income eligible in the jurisdiction of the receiving DCA field office. If the household is a participant of the program, income eligibility does not have to be re-examined.
- Issue a Voucher to the household if determined eligible. (A case number is not required, but the field office supervisor of the initial field office must sign the Voucher.)
- Provide a cover memo to the receiving field office with any pertinent information regarding the household.
- For original certifications, the original application and verification of preference(s) are required.
- Forward the required items to the supervisor of the receiving field office.

### **Responsibilities of the Receiving Field Office**

- Treat the household as a current participant of the field office's Housing Choice Voucher Program who wants to relocate to a new unit.
- Verify total annual income to determine family rent to owner.
- Assign a Tenant ID number to the Voucher.

### **Inter-Jurisdictional Portability (To DCA's Jurisdiction)**

#### **Responsibilities of the DCA Portability Coordinator**

- Review the portability request for compliance with HUD regulations.
- If the portability request is complete, forward it to the appropriate field office.

- Inform the initial PHA whether the DCA will accept the household into its program or bill the initial PHA.

### **Responsibilities of the Receiving Field Office**

- Review the documents provided by the initial PHA.
- Send a letter (EXHIBIT 12-2) to the household acknowledging receipt of the transfer.
- Determine the household's total annual income.
- Write "Portability" and the name of the initial PHA across the top of the *Transmittal Report (New Contract)*.
- Identify the case as a portability transfer on the Initial Data screen of the Housing Pro system.
- Transmit the completed case packet to the portability coordinator.

### **Inter-Jurisdictional Portability (From DCA's Jurisdiction)**

### **Responsibilities of the Sending Field Office**

Forward the following items to the DCA portability coordinator:

- The household's *Request for Portability* (EXHIBIT 12-1) identifying the jurisdiction the household wishes to relocate to and the name and address of the receiving PHA.
- Part I of the *Family Portability Information* form (HUD-52665).
- An active *Voucher* (with an assigned case number).
- A copy of the current *Family Report* (HUD-50058).

- Verification of income and assets listed on the current *Family Report* form.

### **Responsibilities of DCA's Portability Coordinator**

- Forward the required documents to the receiving PHA.
- Inform the sending field office of the receiving PHA's final disposition of the case.

When the issuance of Vouchers and leasing is constrained by the budget, the portability coordinator may deny a household's request to move because of insufficient funding<sup>1</sup> in accordance with 24 CFR §982.314(e)(1) except in the following circumstances:

- The receiving PHA has a payment standard that is equal to or less than the DCA's payment standard.
- The receiving PHA's payment standard is more than the DCA's payment standard, but the receiving PHA agrees to absorb the cost of the transfer.

---

<sup>1</sup> These procedures apply if the number of assisted units equals or exceeds 97 percent of the HUD baseline number of units, or if spending levels are estimated to be at or exceed 97 percent of budget authority.

*Request For Portability***Part I. To Be Completed By the Head of Household (Please Print):**

Name \_\_\_\_\_ SS# \_\_\_\_\_

Address \_\_\_\_\_

City/State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone Number: Home (\_\_\_\_) \_\_\_\_\_ Work (\_\_\_\_) \_\_\_\_\_

Complete the following regarding the jurisdiction you want to move to:

Municipality \_\_\_\_\_

County \_\_\_\_\_ State \_\_\_\_\_

Name of Public Housing Authority \_\_\_\_\_

Address \_\_\_\_\_

City/State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone (\_\_\_\_) \_\_\_\_\_

Name of the Portability Officer \_\_\_\_\_

Signature of the Head of Household \_\_\_\_\_

**Part II. To Be Completed By the DCA Field Office Supervisor**

Voucher Number \_\_\_\_\_

The household is:

- ☐ A Voucher holder; or
- ☐ A program participant.

If a Voucher holder, I have verified that the applicant household is income eligible in the jurisdiction of the receiving PHA.

If a program participant, the HAP Contract termination date is: \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

New Jersey Department of Community Affairs  
 Division of Housing  
 Field Office Address  
 City, State and Zip Code

<<Today's Date>>

Name  
 Address  
 City, State, Zip Code

Dear Mr./Ms. \_\_\_\_\_ :

Our office has received your request to move to the jurisdiction of this agency. Before we can proceed with the transfer, however, we must schedule a program briefing. This briefing ensures you that you have the information and the materials that are required by the Housing Choice Voucher Program regulations. Your attendance is mandatory and lease negotiations will not begin until you have had the benefit of a program briefing.

Please follow the instructions for the item that is checked:

- ☐ 1. Please contact your program representative, Mr./Ms. \_\_\_\_\_, at \_\_\_\_\_ (\_\_\_\_\_) to schedule your program briefing.
- ☐ 2. Your program briefing is scheduled for \_\_\_\_\_, 20 \_\_\_\_ at \_\_\_\_\_ A.M./P.M. at our office, which is located at the above address.
- ☐ 3. A program representative will contact you to schedule you for a program briefing.

If item 1 or item 2 is checked, please contact this office at \_\_\_\_\_ (\_\_\_\_\_) to schedule your program briefing or to confirm your attendance at a scheduled program briefing. If you do not contact this office by \_\_\_\_\_, we will assume that your household is no longer interested in transferring to the jurisdiction of this office and your file will be returned to the initial public housing agency.

Sincerely,

Name of Field Office Supervisor  
 Title

12-6

(7/96)

## REVIEWING AND ADJUSTING UTILITY ALLOWANCES

The DCA reviews changes in utility rates annually. Our review period coincides with the annual publication of the Fair Market Rent guidelines in the *Federal Register*.

The DCA has adopted a schedule of utility allowances based upon a modification of form HUD-52667 (12/97) which was circulated as Change 2 of Handbook 7420.8. This form did not feature utility rates for units larger than 5-bedrooms. The DCA will use the 5-bedroom utility rates for units with more than 5-bedrooms. The utility allowance for an assisted person residing in SRO housing is seventy-five percent of the zero bedroom utility allowance (see §982.604(b)).

The national norms for utility consumption contained in Handbook 7420.8, Change 2, are used except when local data was obtained from the Board of Public Utilities or utility suppliers. The average unit size (2.5 bedrooms) costs were adjusted by the factors used in Handbook 7420.8 to determine the costs for the various bedroom sizes:

Size of Unit	Factor
0 bedroom	0.5
1 bedroom	0.7
2 bedroom	0.9
3 bedroom	1.1
4 bedroom	1.4
5 bedroom	1.6

This schedule features a separate set of heating allowances for three types of housing:

1. Single-family detached or mobile home;
2. Duplex or two-family; and
3. Garden apartment, low-rise, high-rise, rowhouse or townhouse.

The differentials to arrive at the heating costs for the various housing types are based on the average differential for these categories when compared to the single family home category in the June, 1990 General Accounting Office publication, *Rent Burdens in Public Housing and Section 8 Housing Programs*. The differentials are:

Unit Type	Differential
• Single-family detached or mobile home	1.0
• Duplex or two-family	0.77
• Garden apartment, low-rise, high-rise, rowhouse or townhouse	0.55

The DCA will not approve a lease if the utility responsibilities of the tenant are not separately metered, except in the case of a shared housing unit.



## **REINSPECTING UNITS UNDER CONTRACT**

Annual inspections are performed in accordance with the housing quality standards (HQS) performance requirements and acceptability criteria except for those variations identified in Chapter 8. To begin the inspection cycle, the field office supervisors use the Housing Pro system to produce a report listing the annual reexaminations that are scheduled for a particular month. Inspections are assigned to a program representative other than the one who inspected the unit last year, whenever possible, to ensure objectivity. The Housing Pro system also generates the notices to the participants (EXHIBIT 14-1).

These inspections are conducted to provide on-site verification that the owner is meeting his/her obligation to maintain the unit under contract and that he/she is providing the services and utilities as specified in the lease agreement. It also affords the opportunity to document the present condition of the unit and to determine rent reasonableness before negotiations with the owner begin. Annual inspections are performed in the same manner as initial inspections and the results are recorded on the *Inspection Form* (HUD-52580-A) or the DCA's *Inspection Form*. If a fail item is identified it must be corrected before the anniversary date of the contract. If an owner fails to take corrective action by the deadline, the HAP Contract is terminated unless a suspension of housing assistance payments (see EXHIBIT 14-3) has been implemented. The program's policy regarding a breach of the HQS by the household is presented in EXHIBIT 14-5.

### **Special Unit Inspections**

There are two circumstances when a special inspection may be conducted to determine the compliance of a unit:

1. An HQS evaluation is requested by an owner to ascertain a unit's acceptability for potential program participation; or
2. To verify the existence of an HQS deficiency in response to a complaint received for a unit under contract.

The first situation does not represent a substitute for an initial inspection, but is more closely aligned with those owner outreach activities described in Chapter 3. The second situation, however, requires immediate attention and investigation because of the HAP Contract's conditions that stipulate primary responsibility and uninterrupted compliance by the owner.

The program has formulated a policy for reviewing and responding to complaints received from participant households and reliable sources regarding alleged HQS deficiencies. A reliable source is limited to an authorized representative of a public or private social services agency, or a household member who does not live in the assisted unit but provides for the well-being of the assisted household.

The severity of the condition or HQS violation reported determines the required action, extent of action and whether an on-site inspection is required. This activity is performed in conjunction with appropriate New Jersey statutes governing the required actions of landlords and tenants. This policy is as follows:

### **HQS Violation**

If a participant contacts a DCA field office regarding a HQS violation, the household is

advised to send a written notice of the situation to the property owner and a copy of the notice to the field office. Any such notice should immediately be followed up with a phone call from the household to the property owner.

Upon receipt of the household's letter, the field office will contact the household within five business days. If the problem has been corrected, the household's file will be documented accordingly. If the problem has not been corrected, but corrective action is scheduled, the file is documented and the household is instructed to advise the field office when corrected measures have been completed. If the problem has not been corrected and there is no indication that the owner has taken any action, the field office will schedule and conduct a special inspection.

Timely notice is given to the property owner with a reasonable deadline to correct the violation. If not corrected by the deadline date, the field office will suspend payment, terminate the HAP Contract, or reduce the amount of housing assistance (see EXHIBIT 14-3).

### **HQS Violation That Is Life Threatening**

If a participant contacts the program regarding a serious HQS violation, the household is advised to contact the property owner immediately and, if appropriate, the public utility company, or the local police, fire or health department.

The field office will schedule a special inspection with the household at this time. If the special inspection indicates the problem has been resolved, the file is documented and no further action is necessary. A special inspection is not limited to the reported violation(s). A record is made of any other HQS violations that are detected during the inspection.

If the special inspection reveals the problem has not been resolved, the field office will notify the property owner of the violation and suspend payment as of the date of inspection (see EXHIBIT 14-3).

If the substandard condition(s) are corrected, payments may resume.

The preceding procedures place ultimate responsibility for the correction of any HQS violation found during a complaint inspection with the Owner. (See EXHIBIT 14-5 for the program's policy regarding a breach of the HQS caused by the household.) If the absence of utility service is because of an act of nature, the owner is given a 48-hour grace period.

Although a landlord/tenant dispute concerning the lease is not grounds for a complaint inspection (unless it results in a HQS violation), the program will offer its services as mediator for either the tenant or landlord. It is the policy of the program that New Jersey law, as summarized in the statement prepared pursuant to the Truth in Renting Act, N.J.S.A. 46:8-43 et seq. represents the basis for resolving disputes of this nature.

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Inspection Notification Letter**

<<Today's Date>>

<<Tenant Name>>  
<<Tenant Address>>  
<<Tenant CSZ>>

<<Dear Tenant Full Name>>:

Under federal regulations, all housing units occupied by families receiving rental assistance must be inspected at least once a year. An inspection of the housing unit you currently occupy is scheduled as follows:

Date: <<Inspect Date>>

Time: <<Inspect Time>>

Unit: <<Unit Address>>  
<<Unit CSZ>>

If you cannot be present on the inspection date, you must call me at <<PHA Phone>> and arrange for an alternative inspection date.

Sincerely,

<<Contact>>

cc: <<Owner Name>>  
<<Owner Address>>  
<<Owner CSZ>>

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice of Suspension of Housing Assistance Payments Contract**

<<'Today's Date'>>

<<Owner Name>>  
<<Owner Address>>  
<<Owner CSZ>>

Dear <<Owner Name>>:

The Housing Assistance Program has determined that you have breached your Housing Assistance Payments Contract with the program because you have failed to maintain the assisted unit in accordance with the housing quality standards.

Unit Address: <<Unit Address>>  
<<Unit CSZ>>

Tenant Name: <<'Tenant Full Name'>>

The suspension of housing assistance payments is effective on: <<Effective Date>>.

Housing assistance payments will be suspended until the program verifies that you have taken the proper corrective actions. Resumption of housing assistance payments will only be for the time period after corrective action has been completed and verified.

If you require additional information, please contact our office at <<PHA Phone>>.

Sincerely,

<<User Name>>

Copy to: <<'Tenant Mailing'>>

### **Guidelines for the Suspension of Housing Assistance Payments**

The terms of a Housing Assistance Payments Contract permit the DCA to reduce the amount of housing assistance or terminate the contract when a property owner fails to maintain and operate the contract unit and related facilities in decent, safe and sanitary condition. These procedures outline the requirements to suspend payments or terminate a contract when an assisted unit fails an annual inspection or a special inspection. A HAP Contract may be suspended for a maximum of 180 days (see 24 CFR §982.455).

#### **Annual Inspections**

- Written notice of the HQS violations including the deadline to correct the violations are sent to the owner (see EXHIBIT 14-4).
- The unit is reinspected within five business days of the established deadline.
- A program representative may provide the owner with an extension of the deadline based upon the nature of the work, to allow for the late delivery of supplies, difficulty in scheduling contractors, inclement weather, or other valid reason.
- If the violations are not corrected by the deadline, or within the extension period, the program representative will abate future housing assistance payments.
- If the household has given proper notice to vacate, a new Voucher is issued unless the program has grounds to deny issuance (see 24 CFR §982.552).

- If the violations are corrected during the housing search period, housing assistance payments may resume, however, housing assistance payments will not be made for the period the unit did not comply with the HQS.
- If the necessary repairs are not completed by the deadline, the HAP Contract is terminated and a new Voucher is issued to the household unless the program has grounds to deny issuance.
- The rent to owner may be adjusted when the unit complies with the HQS.

### **Special Inspections**

- A special inspection is scheduled within five business days of the household's complaint, or a special inspection may be scheduled to comply with the program requirement for HQS quality control inspections.
- Written notice of the HQS violations including the deadline to correct the violations are sent to the owner (EXHIBIT 14-4).
- The unit is reinspected within five business days of the established deadline.
- If the violations have not been corrected by the deadline, or within the extension period, the program representative will abate future housing assistance payments.
- Housing assistance payments may resume when the HQS violations have been corrected. To resume payments, the program representative removes the abatement from the Transactions screen of the Housing Pro system.



- If the participant notifies the program that the household wants to relocate, or if the household is required to move because of overcrowding, a new *Voucher* is issued as soon as possible, unless the program has grounds to deny issuance of a new Voucher (see 24 CFR §982.552).
- The household must give the property owner proper notice in accordance with the lease. A participant may give a shorter notice than the lease provides if circumstances warrant, for example: lack of heat, contaminated water, etc.
- Only a court of law can authorize an owner to retain all or part of a tenant's security deposit when the tenant objects.

**Notice to Landlord for Repairs to an Assisted Unit**

<<Today's Date>>

<<Owner Name>>

<<Owner Address>>

<<Owner CSZ>>

Dear <<Owner Name>>:

An inspection of your property located at <<Unit Address>> in <<Unit City>> was completed in compliance with the U.S. Department of Housing and Urban Development's requirements for the Housing Choice Voucher Program.

The inspection revealed a condition that failed to meet the federal housing quality standards. In order for the Division of Housing to make subsidy payments on behalf of the household headed by <<Tenant Name>>, all items indicated as "Fail" on the attached *Inspection Summary* must be corrected. Other items identified as "Passed with Comments" did not fail the inspection, but have been included for your information.

The deadline for correction of the violations is <<Repair Due Date>>.

When the required repairs are completed, please sign, date and return the attached *Inspection Summary* to me. Upon my receipt of this certification, a reinspection of the unit will be scheduled. Failure to provide the required certification, by the deadline, will indicate that the failed items have not been repaired and housing assistance payments will not be issued. Please note that housing assistance cannot begin or be reinstated until the unit passes inspection. Federal regulations prohibit retroactive housing assistance payments for the period the unit does not comply with the housing quality standards.

A participating owner's failure to take corrective action in any of the Division's rehabilitation programs may result in a recall of the loan or the removal of the unit from the Housing Assistance Payment Contract.

Please contact me at <<PHA Phone>> if you require any additional information or clarification regarding this matter. Thank you for your cooperation.

Sincerely,

<<User Name>>

cc: <<Tenant Mailing>>

### **Breach of the Housing Quality Standards by the Household**

The program regulations at 24 CFR §982.404(a)(4) state that: "The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible (as provided in §982.404(b) and §982.551(c)). (However, the PHA may terminate assistance to a family because of HQS breach caused by the family.)" These procedures allow the owner to continue receiving housing assistance payments while affording the household an opportunity for an informal hearing prior to termination of the HAP Contract.

The following procedures are used to enforce the household's obligations regarding the HQS and to initiate the termination process in accordance with 24 CFR §982.552.

#### **Annual Inspections**

- The tenant is notified in writing of the HQS violation(s) and the deadline to correct the violation(s) (see EXHIBIT 14-6 and EXHIBIT 14-7).
- The unit is reinspected within five business days of the established deadline.
- The program representative may provide the tenant with a deadline extension based upon the nature of the work, to allow for the late delivery of supplies, difficulty in scheduling contractors, inclement weather, or other valid reason.

- If the violation(s) have not been corrected by the deadline, or within the extension period, the program representative will abate future housing assistance payments.
- The program representative must institute the program's standard termination procedures. A Warning of Adverse Action (EXHIBIT 16-4) is mailed to the household and an Initial Notice to Terminate Housing Assistance Payments Contract (EXHIBIT 16-3) is sent to the owner.

### **Special Inspections**

- A special inspection is scheduled within five business days of the complaint, or a special inspection may be scheduled to comply with the program requirement for HQS quality control inspections.
- The tenant is notified in writing of the HQS violation(s) and the deadline to correct the violations (see EXHIBIT 14-6 and EXHIBIT 14-7).
- The program representative may provide the tenant with a deadline extension based upon the nature of the work, to allow for the late delivery of supplies, difficulty in scheduling contractors, inclement weather, or other valid reason.
- The unit is reinspected within five business days of the established deadline.
- If the violation(s) have not been corrected by the deadline, standard termination procedures are instituted. A Warning of Adverse Action (EXHIBIT 16-4) is mailed to the household and an Initial Notice to Terminate Housing Assistance Payments Contract (EXHIBIT 16-3) is sent to the owner.

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice to Tenant For Repairs to an Assisted Unit**

<<Today's Date>>

<<Tenant Mailing>>

Dear <<Tenant Full Name>>:

An inspection of your housing unit was completed in compliance with the U.S. Department of Housing and Urban Development's requirements for the Housing Choice Voucher Program.

The inspection revealed a number of conditions that failed to meet the federal housing quality standards (HQS). The item(s) indicated as "failed" on the attached *Inspection Summary* report are the responsibility of your household to correct. You are further advised that it is a regulatory obligation (24 CFR §982.551(c)) for a participant in the Housing Choice Voucher Program to correct a HQS violation caused by the household. Written consent of the landlord must be obtained before any repairs are started.

The deadline for correction of the violation(s) is <<Repair Due Date>>.

When the HQS violations have been corrected, please sign, date and return the attached *Inspection Summary* report to me. Upon my receipt of this certification, a reinspection of your rental unit will be scheduled. Failure to provide the required certification by the deadline will be considered as evidence that you do not intend to correct the HQS violation(s) and procedures to terminate your household's participation in the Housing Choice Voucher Program will be implemented.

Please contact me at <<PHA Phone>> if you require any additional information or clarification regarding this matter. Thank you for your cooperation.

Sincerely,

<<User Name>>

cc: <<Owner Name>>  
<<Owner Address>>  
<<Owner CSZ>>

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice To Tenant To Restore Utility Service**

&lt;&lt;Today's Date&gt;&gt;

&lt;&lt;Tenant Mailing&gt;&gt;

Dear &lt;&lt;Tenant Full Name&gt;&gt;:

Our office has learned that you are in violation of your lease agreement for failure to maintain the utility service(s) that are your responsibility. As indicated below, you are not providing the following utility service(s):

- ☐ Gas
- ☐ Electricity
- ☐ Fuel oil
- ☐ Water
- ☐ Sewer

Your failure to maintain the utilities means that your housing unit is not in compliance with the program's housing quality standards and that you have violated one of your regulatory obligations (24 CFR §982.551) as a participant.

Utility services(s) must be restored on or before \_\_\_\_\_.

Unless you bring documentation to my office before the above deadline that verifies utility services has been restored to your unit, procedures to terminate your household's participation in the Housing Choice Voucher Program will begin. Acceptable documentation is a paid bill from the utility company showing that your account is current or a letter from the utility company stating that the service has been restored and the date when the utility was turned back on.

Please contact my office at <<PHA Phone>> if you have any questions regarding this matter.

Sincerely,

&lt;&lt;User Name&gt;&gt;

cc: <<Owner Name>>  
<<Owner Address>>  
<<Owner CSZ>>

## **ADJUSTING CONTRACT RENTS**

Upon the property owner's request, the rent to owner may be increased on the anniversary of the Housing Assistance Payments (HAP) Contract, or at least sixty days after the program receives the owner's request. A rent adjustment is conditional, however, on the unit satisfying the requirements of the housing quality standards and the owner's compliance with the terms and provisions of the dwelling lease and the HAP Contract. The owner and the family are responsible for negotiating the new rent to owner, but the amount of increase is subject to the rent reasonableness limitation.

### **Annual Adjustments**

The DCA has developed a program form, *Transmittal Report for an Annual Reexamination*, which functions as documentation of the reexamination process. The purpose of this form is to specify those HUD and DCA forms that are required at reexamination and to identify the new rent to owner. This document is to be signed by the participant after the eligibility of the unit and participant are determined. Whenever feasible, this document is to be signed by the property owner. Although program regulations provide for an annual extension of an assisted tenancy, it is the policy of the DCA to secure these signatures as an acknowledgment of rent negotiations. Unless negotiated by the property owner or his/her agent, an allowable increase in the rent to owner is not automatically approved.

### **Interim Adjustments**

The *Housing Assistance Payments Contract Amendment* allows for the correction of an administrative error, but is primarily used to make an increase in the rent during the certification period. It also

may be used to approve a HUD authorized rent increase or to approve an increase in the rent on the tenant's anniversary date rather than on the anniversary of the HAP Contract.

All increases require proper documentation, the signature of the property owner, the signature of the head of household, and the approval of the program manager.



## **INFORMAL REVIEW PROCEDURES FOR APPLICANTS AND INFORMAL HEARING PROCEDURES FOR PARTICIPANTS**

The purpose of the DCA's informal review and informal hearing process is to ensure that a decision to deny or terminate housing assistance complies with the regulations of HUD and the administrative policies of the DCA. The regulatory grounds (24 CFR §982.552, *PHA denial or termination of assistance for family*) for denying assistance to an "applicant" and terminating housing assistance to a "participant" are the same. This rule allows the program to deny or terminate housing assistance at any time when one of the stipulated grounds is present. The DCA, however, recognizes its administrative responsibility to ensure that the required procedural protections of due process are provided.

These policies are established to maintain a reasonable balance between avoiding an erroneous denial or termination of housing assistance and the need to have effective and expeditious procedures for determining facts. As noted by HUD in the preamble to the 1984 rule<sup>1</sup> that originally promulgated the regulatory requirements for informal reviews and informal hearings "a PHA is not constitutionally required to provide any administrative due process hearing on PHA determinations to grant or deny participation to an applicant" because "neither the statute nor the regulation create any property right to assistance under the Act." This distinction is maintained in the following description of the DCA's informal review and informal hearing procedures. Both procedures comply with the basic intent of the regulation to inform a household of the basis for the program's decision and to provide the opportunity for the household to present its objection.

---

<sup>1</sup> *Federal Register*, March 29, 1984, p. 12225.

## Informal Reviews

The program's informal review process is conducted in accordance with 24 CFR §982.554, *Informal review for applicant.*

An informal review must be requested in writing within twenty days after the initial decision was mailed to the household's last-known address. The request should include the name, address and telephone number of the applicant and the factual basis or reasons why he/she wants an informal review. The applicant is given an opportunity to present written or verbal objections to the decision. A program supervisor, not involved in the initial decision, will review the evidence and provide the applicant with a written notice of the final decision that includes a brief explanation of the decision.

Applicants are promptly notified in writing of the decision and reasons for denial of:

1. Listing on the waiting list;
2. Issuance of a Voucher;
3. Participation in the program;
4. Verification of a selection preference; or
5. Assistance under portability procedures.

The notice denying placement on the waiting list (EXHIBIT 4-2) states the applicant's right to request, and the procedures to obtain an informal review. The notice denying issuance of a Voucher or participation in the program (EXHIBIT 4-3) states the applicant's right to request, and the

procedures to obtain an informal review. The notice denying verification of a selection preference (EXHIBIT 5-5) states the applicant's right to request, and the procedures to obtain an informal review. When there are an extensive number of applications already on a county's waiting list and the waiting list has been closed, applicants are notified in writing (EXHIBIT 4-5) that the waiting list is closed and that their applications will not be accepted. The act of closing the waiting list is considered one of the discretionary, administrative decisions of the program that does not require the program to afford the applicant an informal review.

### **Informal Hearings**

The informal hearing process is conducted in accordance with 24 CFR §982.555, *Informal hearing for participant*.

The standard sequences of steps leading to termination of a participant's housing assistance are outlined in EXHIBIT 16-1 and EXHIBIT 16-2. Program participants are given written notice in advance of the proposed action, and are informed of the procedures for requesting a hearing. Information regarding the hearing process is reviewed during the initial tenant briefing and is included in the *Guide to the Section 8 Housing Program* (APPENDIX B). Variations to the standard hearing policy for the Family Self-Sufficiency Program are included as EXHIBIT 16-8.

When a Housing Assistance Payments (HAP) Contract is terminated because of the action or inaction of an assisted household, the program must give the Owner written notice (EXHIBIT 16-3) at least thirty days before the intended HAP Contract termination or the expiration of the

annual certification period. The household may receive advance notice of an adverse action (EXHIBIT 16-4), but will always receive at least thirty days written notice (EXHIBIT 16-5) of the initial decision to deny or terminate its participation in the program. A variation to the standard notice is used when a participant requests to relocate prior to the opportunity to schedule the informal hearing (EXHIBIT 16-6, Notice of Denial to Relocate and Initial Decision to Terminate Program Participation).

A participant must request an informal hearing in writing within twenty days of the initial decision to terminate housing assistance. The household's request for an informal hearing must include the name, address and telephone number of the participant and the factual basis or specific reasons why he/she is requesting an informal hearing. The written request must be addressed to: Division of Housing, Hearing Coordinator, P.O. Box 051, Trenton, N.J. 08625-0051. Compliance in meeting the submission deadline is determined by the postmark on the envelope containing the request.

Extenuating circumstances to provide reasonable accommodation for persons with disabilities are considered on a case-by-case basis.

All functions normally performed to certify or recertify the household's participation will continue to be performed until the Hearing Officer issues a final decision. The household will continue to receive its present level of housing assistance as long as all other eligibility criteria are being met.

The protocol for an informal hearing is outlined in EXHIBIT 16-12. The Hearing Officer will regulate the conduct of all parties participating in an informal hearing. The Hearing Officer reviews evidence pursuant to the Guidelines for the Submission of Evidence (EXHIBIT 16-14), but without regard to admissibility under the rules of evidence that are applicable to judicial proceedings. Factual determinations made by the Hearing Officer are limited solely to the evidence presented at the hearing and "a preponderance of the evidence" is used as the standard in making a final decision. As noted by HUD, the program "is not being asked to adjudicate guilt, but rather whether, under a civil standard of preponderance of the evidence, a family member, in fact, is engaging in certain activities. It is the fact of the activity rather than assessment of criminal liability that is at issue" (*Federal Register*, July 11, 1990, p. 28540).

The Hearing Officer will issue a final decision in writing and this written decision will briefly state the reasons for the decision. The written decision is furnished promptly to the participant and a copy is sent to the field office supervisor and the regional supervisor. The Hearing Officer will keep a copy of all final decisions where a household's participation in the Housing Choice Voucher Program has been terminated. The period of retention will be for a period of five years calculated from the date of the decision.

### **Failure to Appear**

If a participant fails to appear at a scheduled informal hearing as prescribed in the Notice of Informal Hearing (EXHIBIT 16-10), the Hearing Officer may reschedule the informal hearing if the following conditions are met:

1. The head of household must contact the Hearing Officer within twenty-four hours of the time that the informal hearing was scheduled to start; and
2. The head of household must document, as specified by and to the satisfaction of the Hearing Officer, the circumstances for his or her failure to appear.

Failure to contact the Hearing Officer or to provide the documentation stipulated by the Hearing Officer will constitute an abandonment by the head of household of his or her request for an informal hearing and the initial decision to terminate will automatically become the final decision.

### **Guidelines for the Submission of a Notice of Intent to Terminate**

1. A program representative determines that there are grounds to terminate a participant in accordance with 24 CFR §982.552.
2. Until the Hearing Officer issues a final decision, all functions normally performed to certify or recertify the household's participation must continue to be performed.
3. The program representative compiles all pertinent information and presents this evidence to the field office supervisor for review and consideration. The field office supervisor may consult the regional supervisor on the case depending upon the complexity of the issue.
4. If the field office supervisor confirms that grounds to deny or terminate the household exist, the field office supervisor ensures that at least thirty days advance written notice (EXHIBIT 16-5) of the "initial decision" is provided to the household. A copy of the notice to the household is faxed to the central office to the attention of the Hearing Coordinator.
5. The Hearing Coordinator takes action when the period to request an informal hearing (twenty days) has expired or the request for an informal hearing is received by the deadline. If a written request from a household is not received by the deadline, the notice originally faxed by the field office supervisor is faxed back to the field office supervisor with a cover sheet, signed and dated, confirming that the household did not respond. The program representative sends final notice of termination to the household and the owner.
6. When a written request for an informal hearing is received by the deadline, the Hearing Coordinator will:
  - Reject in writing any request when the DCA is not required to provide an informal hearing in accordance with 24 CFR §982.555;
  - Order corrective action, with notification, if program staff clearly erred in the decision; or
  - Acknowledge the household's hearing request (EXHIBIT 16-9) and forward the hearing request to the Hearing Officer who will schedule a review or a hearing.

7. The Hearing Officer schedules the informal hearing (EXHIBIT 16-10) and prepares a "final decision," in writing, to the household, within a reasonable time after the hearing is held. When the initial decision is upheld as the final decision, the household's participation is terminated. When the initial decision to terminate is not upheld, the Hearing Officer forwards a copy of the final decision to the field office supervisor who enforces any "conditions" imposed by the Hearing Officer for the household's continued participation.

8. At the discretion of the Director of the Division of Housing, a written appeal of a final decision may be accepted. The Director, or designee, will conduct the review. If the Director determines, pursuant to 24 CFR, that the DCA is not bound by a hearing decision, the Director, or designee, shall promptly notify the participant of the determination and of the reasons for the determination.

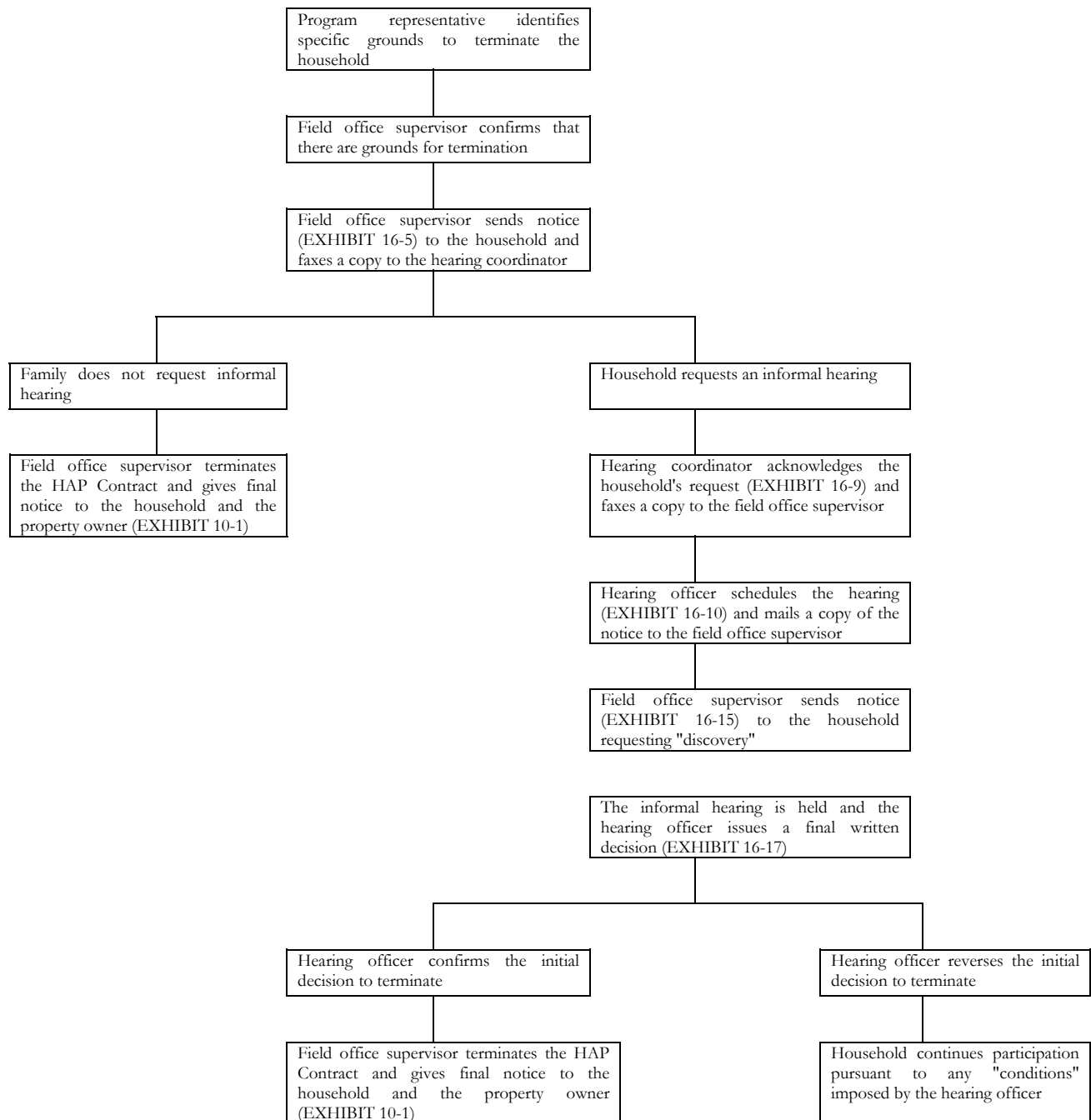
### **Notice Requirements**

**Notice to the Household.** Thirty days advance written notice to the household (EXHIBIT 16-5), for purposes of this notice, is generally computed from the last day of a month, and the field office supervisor must ensure that the household receives the notice at least 30 days prior to the date of the intended termination date. The Hearing Officer, however, has discretion in establishing a date, other than the last day of the month, for termination of the household's participation when issuing a final decision.

**Notice to the Owner.** The field office supervisor must ensure that the Owner receives advance written notice (EXHIBIT 16-3) a minimum of 30 days before the actual termination date of the household. For program purposes, this calculation is always computed from the last day of the month in which the termination is to occur. This is done with the intention of the Owner retaining the housing assistance payment for the month in which he or she receives the notice and receiving the following month's housing assistance payment in compliance with the terms and conditions of the Housing Assistance Payments Contract.



### Summary of Procedures to Terminate Program Participation



State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Initial Notice to Terminate Housing Assistance Payments Contract**

<<Today's Date>>

<<Owner Name>>  
<<Owner Address>>  
<<Owner CSZ>>

Dear <<Owner Name>>:

The Division of Housing has been providing you with monthly housing assistance payments to assist your tenant, <<Tenant Name>>, who resides at <<Unit Address>> in <<Unit City>>.

Housing assistance payments are contingent upon a participant family meeting certain program obligations. When a household fails to meet a family obligation, commits fraud, or owes monies to a public housing agency, there are sufficient grounds to deny or terminate the household's participation in the Housing Choice Voucher Program.

Your tenant has failed to meet certain program requirements. Consequently, the Housing Assistance Payments Contract that the program has entered into with you will be terminated on the final day of \_\_\_\_\_. No further subsidy checks will be issued after this date. Should your tenant continue to occupy your property after this date, your tenant must assume full responsibility for further rental payments.

Should you require any additional information or clarification, please contact me at <<PHA Phone>>.

Sincerely,

Field Office Supervisor

cc: Hearing Coordinator  
<<Tenant Name>>  
Client file

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Warning of Adverse Action**

<<Today's Date>>

<<Tenant Name>>  
<<Tenant Address>>  
<<Tenant CSZ>>

Dear <<Tenant Name>>:

We have received reoccurring complaints regarding your occupancy of the rental property that is assisted by the Housing Choice Voucher Program. These complaints indicate that your household may have violated a participant obligation of the program. Our information indicates that the following circumstances have occurred: \_\_\_\_\_

---

When a household fails to comply with a program obligation, there are sufficient grounds to deny or terminate the household's participation in the program. In addition, should your landlord have grounds to institute an eviction, your continued participation in the program would also be in jeopardy.

Your immediate attention and compliance in resolving this matter is required. Should you have any questions regarding this notice, please call my office at <<PHA Phone>>.

Sincerely,

Field Office Supervisor

cc: Client file

**Initial Decision to Deny or Terminate Housing Assistance**

Dear <<Tenant Name>>:

Pursuant to the federal regulations that govern the Housing Choice Voucher Program, it is your household's responsibility to adhere to all those requirements stipulated at 24 CFR §982.551 as *Obligations of the participant*. When there is sufficient evidence that a household has failed to meet these requirements, it may be necessary to deny or terminate the household's participation in the program in accordance with 24 CFR §982.552.

Information obtained by the program indicates that your household has violated a participant obligation. Our information indicates that the following circumstances have occurred:

---

Based on this information, the program has decided to terminate your participation in the program on the last day of \_\_\_\_\_. You, however, have the right to request an informal hearing before your participation is actually terminated.

If you wish to request an informal hearing, you must send a written request to the following address:

Hearing Coordinator  
New Jersey Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

Your request for an informal hearing must be received by \_\_\_\_\_, which is no more than twenty days from the date of this letter. Please include your name, address, and telephone number in the letter. If you do not request an informal hearing, the program will render its decision on your participation based on the documentation that has been obtained.

This letter is being sent to you via general delivery and certified mail.

Sincerely,

Field Office Supervisor

cc: Hearing Coordinator  
Regional Supervisor  
Client file

**Notice of Denial to Relocate and Initial Decision to Terminate Program Participation**

Dear <<Tenant Name>>:

Pursuant to the federal regulations that govern the Housing Choice Voucher Program, it is your household's responsibility to adhere to all those requirements stipulated at 24 CFR §982.551 as *Obligations of the participant*. When there is sufficient evidence that a household has failed to meet these requirements, it may be necessary to deny or terminate the household's participation in the program in accordance with 24 CFR §982.552.

Information obtained by the program indicates that your household has violated a participant obligation. Our information indicates that the following circumstances have occurred:

---

Based on this information, the program will not reissue a Voucher to your household and will terminate your participation in the program on \_\_\_\_\_. You, however, have the right to request an informal hearing before your participation is actually terminated.

If you wish to request an informal hearing, you must send a written request to the following address:

Hearing Coordinator  
New Jersey Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

Your request for an informal hearing must be received by \_\_\_\_\_, which is no more than twenty days from the date of this letter. Please include your name, address, and telephone number in the letter. If you do not request an informal hearing, the program will render its decision on your participation based on the documentation that has been obtained.

This letter is being sent to you via general delivery and certified mail.

Sincerely,

Field Office Supervisor

cc: Hearing Coordinator  
Regional Supervisor  
Client file

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Confirmation of Household's Request to Withdraw From the Program**

<<Today's Date>>

<<Tenant Name>>  
<<Tenant Address>>  
<<Tenant CSZ>>

Dear <<Tenant Name>>:

I have received your letter informing the program of your intention to voluntarily withdraw from the Housing Choice Voucher Program.

In accordance with your notice, your household's participation in the program will be terminated on the last day of \_\_\_\_\_. Your landlord also will be informed of the date of your termination and that housing assistance payments will no longer be made on your behalf after this date.

If you change your mind and want to continue to participate in the program, you must contact my office immediately at <<PHA Phone>>. Otherwise, your housing assistance will end on the termination date stated above.

This letter is being sent to you via general delivery and certified mail.

Sincerely,

Field Office Supervisor

cc: Client file

## **Variations to the Standard Hearing Policy for the Family Self-Sufficiency Program**

### **Intent to Terminate FSS Contract of Participation**

The Field Office Supervisor will send a warning letter to a FSS participant for any breach of their FSS Contract of Participation. The warning letter will include the following:

- Notice of contract violation;
- Corrective action that must be taken; and
- A deadline by which the violation must be corrected.

If the FSS participant takes corrective action, no further action is necessary. If the FSS participant does not take corrective action, the Field Office Supervisor will send the household a letter by regular mail and by certified mail. The letter will state the reason(s) for termination and will include an explanation of the appeal process available to the family.

### **Appeal Process**

If a participant disagrees with the decision to terminate their FSS Contract, they may request a review before the FSS Program Coordinator by writing within twenty days from the date of the termination letter. The request must include the participant's name, address, telephone number and the reason(s) why they are requesting a review.

The FSS Program Coordinator may recommend changes to the participant's FSS Contract Individual Services and Training Plan such as adding support services, addiction treatment, referral to another agency, or elimination of activities.

### **Termination of FSS Contract and/or Withholding Supportive Services**

A family's FSS Contract of Participation can be terminated or supportive services withheld under the following circumstances:

1. If the family fails to fulfill its obligations under the FSS Contract of Participation no later than five years after entering into the contract;
2. If the family's housing assistance is terminated in accordance with HUD requirements;
3. The family withdraws from the FSS Program;
4. If the family's actions or failure to act are deemed inconsistent with the purpose of the FSS Program;
5. If thirty percent of the family's monthly adjusted income equals or exceeds the family's contract rent; or
6. By operation of law.

If a family's FSS Contract of Participation is terminated, they will not lose their Housing Choice Voucher Program assistance, but any escrow account earnings will be forfeited.



State of New Jersey  
Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

**Acknowledgement of Request for Informal Hearing**

<<Today's Date>>

<<Tenant Name>>  
<<Tenant Address>>  
<<Tenant CSZ>>

Dear <<Tenant Name>>:

Your request for an informal hearing has been approved.

Please be assured that every effort will be made to schedule your hearing as soon as possible. When your case has been included on the Hearing Officer's calendar of hearings, you will be sent a Notice of Informal Hearing. This notice will provide you with specific information concerning the time, date and location of your informal hearing.

You will also receive information regarding the procedures our agency has adopted for conducting an informal hearing. This information is presented in two documents: Informal Hearing Protocol and Guidelines for the Submission of Evidence. These items will provide you with a thorough explanation of the hearing process and will assist you in preparing for your informal hearing.

If you have any questions after receiving your Notice of Informal Hearing, please send your written inquiry to the following address:

Hearing Officer  
New Jersey Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

Thank you for your cooperation regarding this matter.

Sincerely,

Hearing Coordinator

cc: Hearing Officer  
Field Office Supervisor  
Regional Supervisor

State of New Jersey  
Department of Community Affairs  
Division of Housing and Community Resources  
P.O. Box 051  
Trenton, NJ 08625-0051

**Notice of Informal Hearing**

<<Today's Date>>

Dear <<Tenant Name>>:

The informal hearing that you requested has been scheduled for ( insert day of the week ), ( insert date ) at ( insert time ) in the ( insert name of county ) Housing Choice Voucher Program office. This office is located at ( insert complete street address of the field office ).

If you are unable to attend this hearing as scheduled, you must contact the Hearing Officer at least two full business days before the date of the scheduled hearing by calling (609) 633-6155. Failure to attend this hearing may result in the dismissal of your request for an informal hearing and termination of your participation in the program.

The subject of this informal hearing is the proposed termination of your participation in the Housing Choice Voucher Program for the alleged violation of 24 CFR §982.551, *Obligations of participant*. It is alleged that ( summarize the grounds for termination based on the appropriate regulation ).

The procedures our agency has adopted for conducting an informal hearing are presented in the two documents (Informal Hearing Protocol and Guidelines for the Submission of Evidence) attached to this notice. These items will provide you with a thorough explanation of the hearing process and will assist you in preparing for your informal hearing.

If you have any questions, please feel free to contact me.

Sincerely,

Hearing Officer

Attachments (2)

cc: Field Office Supervisor  
Regional Supervisor

State of New Jersey  
Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

**Notice of Postponement of Informal Hearing**

<<Today's Date>>

Dear <<Tenant Name>>:

You are hereby advised that the informal hearing that had been scheduled for ( insert day of the week ), ( insert date ) at ( insert time ) in the ( insert name of county ) Housing Choice Voucher Program office is postponed. Our agency will make every effort to reschedule your hearing in the near future.

When your case is rescheduled on my calendar of hearings, you will be sent another Notice of Informal Hearing. This notice will specify the time, the date and the location of your informal hearing.

If you have any questions concerning this matter, please contact me by writing to the following address:

Hearing Officer  
New Jersey Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

Your continued cooperation regarding this matter is appreciated.

Sincerely,

Hearing Officer

cc: Field Office Supervisor  
Regional Supervisor

### **Informal Hearing Protocol**

The DCA employs a full time Hearing Officer. The Hearing Officer serves with autonomy to preclude the possibility that he would be involved in or is a subordinate to the person making the initial decision to terminate. The Hearing Officer is empowered by the DCA to regulate the conduct of the participants of an informal hearing. The Hearing Officer shall give effect to the rules of privilege recognized by law.

At their own expense, a lawyer or other representative may represent the household. The household may present its case or defense by oral and documentary evidence, submit rebuttal evidence and conduct such cross-examination as may be required, subject to the discretion of the Hearing Officer, for a full and true disclosure of the facts. All relevant evidence is admissible, except as otherwise specified in the Housing Choice Program regulations, or as determined by the Hearing Officer.

The Hearing Officer will normally conduct the informal hearing according to the following sequence:

1. Hearing Officer identifies or restates the issue(s) of the informal hearing
2. Opening statement (optional)
  - DCA
  - Appellant
3. The program presents its case - submits evidence and witnesses
  - Appellant can cross-examine
  - DCA can re-direct
4. Appellant presents his/her case - submits evidence and witnesses
  - DCA can cross-examine
  - Appellant can re-direct
5. Closing remarks (optional)
  - DCA
  - Appellant

The Hearing Officer will prepare a final decision, in writing, to the household, within a reasonable time after the informal hearing. The Hearing Officer in making the factual determinations contained in his final written decision can only use the evidence presented at the informal hearing. The Hearing Officer will keep a copy of all the final decisions where a household's participation in the Housing Choice Voucher Program has been terminated. The period of retention will be for a period of five years calculated from the date of the decision.

State of New Jersey  
Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

**Notice of Failure to Appear**

<<Today's Date>>

Dear <<Tenant Name>>:

Pursuant to your request, an informal hearing was scheduled for (insert day of the week), (insert date) at ( insert time ) in the (insert name of county) Housing Choice Voucher Program office. The program was prepared at that time to hold an informal hearing in compliance with 24 CFR §982.555, *Informal hearing for participant*.

You failed to attend this informal hearing and you failed to notify the Hearing Officer regarding any inability to attend this hearing as scheduled.

Therefore, your request is considered abandoned and the termination of your participation is upheld as correct and final.

This termination is effective as of (insert date).

Sincerely,

Hearing Officer

cc: Hearing Coordinator  
Field Office Supervisor  
Regional Supervisor

### Guidelines for the Submission of Evidence

In accordance with program regulations (24 CFR §982.555(e)(2) *Discovery* and (5) *Evidence*), the parties shall not be bound by rules of evidence whether statutory, common law, or adopted formally by Rule of Court. Discovery must be completed two business days before an informal hearing. Before an informal hearing, a participant has the right to examine any document that is relevant to the hearing from the household's central office file and from the field office file. All relevant evidence is admissible, except as specified in the following:

1. If the household or the program has not made a document available for examination before an informal hearing, upon the written request of the other party, the household or the program may not rely on or present the document at the informal hearing.
2. The Hearing Officer has the discretion to exclude any evidence if he determines that its probative value is substantially outweighed by the risk that its admission will either necessitate undue consumption of time, or create substantial danger of undue prejudice or confusion.
3. Evidence that a member of the household has been arrested for drug-related criminal activity or violent criminal activity (24 CFR §982.553, *Denial of admission and termination of assistance for criminals and alcohol abusers*)<sup>1</sup> must meet the following criteria:
  - Documentation must be obtained from a law enforcement agency<sup>2</sup>;
  - Documentation must clearly identify the name of the person arrested, the date of the arrest, the location of the arrest, and the nature of the offense; and
  - Documentation may be a police report, an incident report, an investigative report, or a letter from a law enforcement agency.
4. The Hearing Officer in making the factual determinations contained in his final written decision can only use the evidence presented at the informal hearing.

The Hearing Officer shall give effect to the rules of privilege recognized by law. Any party in an informal hearing may present his/her case or defense by oral and documentary evidence, submit rebuttal evidence and conduct such cross-examination as may be required, subject to the discretion of the Hearing Officer, for a full and true disclosure of the facts.

<sup>1</sup> HUD has previously noted "the PHA is not being asked to adjudicate guilt, but rather whether, under a civil standard of preponderance of the evidence, a family member, in fact, is engaging in certain activities. It is the fact of the activity rather than assessment of criminal liability that is at issue" (*Federal Register*, July 11, 1990, p. 28540).

<sup>2</sup> In most instances the *Authorization for the Release of Information/Privacy Act Notice* form that is included in the client's file will have to accompany the field office's written request for this information. Once the necessary documentation is received, the field office may institute the standard procedures outlined in EXHIBIT 16-1 regarding termination of a participant's housing assistance.

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Request for Discovery**

<<Today's Date>>

Dear <<Tenant Name>>:

This letter represents a formal request for your cooperation in disclosing all information regarding the evidence that you intend to present at your informal hearing.

The "discovery" process requires that, upon request, any evidence to be presented at the informal hearing must be clearly identified and made available to the other party. Once requested, this information must be presented for review at least two full business days before the date of the scheduled informal hearing.

Please respond by supplying the names of the witnesses that you may call at the informal hearing and attach copies of the documents that you intend to rely upon or offer into evidence at the informal hearing. These materials should be sent to:

( Insert the name and address of the appropriate person or office )

The Housing Choice Voucher Program regulations (24 CFR §982.555) strictly prohibit the presentation of any evidence at the hearing that was not made available during the discovery period.

Thank you for your cooperation in this matter.

Sincerely,

Field Office Supervisor

cc: Client file

<p><b>This Request for Discovery form letter may be used by a Housing Choice Voucher Program participant.</b></p>
---

State of New Jersey  
Department of Community Affairs  
Field Office Address  
City, State, Zip Code

**Notice to Owner of Postponement of Final Decision to Terminate**

<<Today's Date>>

Dear <<Owner Name>>:

This letter provides written notification of a postponement in the date for terminating the participation of the <<Tenant Name>> household in the Housing Choice Voucher Program and the concurrent termination of the Housing Assistance Payments Contract (<<Tenant ID>>) for their assisted unit located at <<Tenant Address>> in <<Unit City>>.

The previous correspondence explaining this agency's initial decision to terminate stipulated the implementation date as (insert date specified in initial decision). Please be advised that this implementation date has been amended to accommodate the issuance of a final written decision for an informal hearing that has been held regarding this matter. When I receive the final written decision, I will inform you accordingly.

Sincerely,

Field Office Supervisor

cc: Hearing Officer



State of New Jersey  
Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, NJ 08625-0051

**Notice of Final Decision to Terminate**

<<Today's Date>>

Dear <<Tenant Name>>:

The informal hearing which you requested was held on (insert day of the week), (insert date) at (insert time) in the (insert name of county) Housing Choice Voucher Program office in compliance with 24 CFR §982.555, *Informal hearing for participant*.

This informal hearing was scheduled to determine whether the initial decision to terminate your participation in the program was performed in accordance with program regulations and the policies of this agency. The grounds for the decision to deny or terminate housing assistance are codified at 24 CFR §982.552. The issue for resolution at the informal hearing was whether your household (specify the grounds for termination and cite the section of the regulations).

After carefully considering your testimony and thoroughly reviewing the evidence presented, I have made the following determinations as factual regarding this matter:

(insert facts)

I have decided that the appropriate disposition of this case is the termination of your participation in the Housing Choice Voucher Program. A preponderance of the evidence confirms that there are grounds to terminate your participation in the program in accordance with the program regulations and the policies of this agency. The implementation date for termination of your program participation is (insert date). This is a final administrative decision pursuant to 24 CFR §982.555.

Sincerely,

Hearing Officer

Attachment(s)

cc: Field Office Supervisor  
Regional Supervisor

## **Documents in Evidence**

### **Joint Exhibits**

- J-1
- J-2
- J-3

### **For Appellant**

- A-1
- A-2
- A-3

### **For Respondent**

- R-1
- R-2
- R-3

## **Witnesses**

### **For Appellant**

### **For Respondent**

## **PAYMENT STANDARD AMOUNTS**

In accordance with 24 CFR §982.503, *Voucher tenancy: Payment standard amount and schedule*, the DCA will establish a payment standard amount for each unit size, in each county, within the “basic range” (between 90 percent and 110 percent) of the published fair market rent.

The initial step in developing an annual budget for the Housing Choice Voucher Program is to determine the average adjusted monthly income (AMI), the average total tenant payment (TTP), and the number of participants in each county for each voucher size. This report provides the necessary information to determine estimated housing assistance payments for the upcoming fiscal year. This information also is used to calculate the average percentage of AMI contributed toward TTP, otherwise referred to as "rent burden." The program has adopted a standard of 35% of AMI as a reasonable rent burden as a factor in determining the payment standard amounts.

An adjustment to the payment standard is considered if the average rent burden for a specific voucher size, within a specific county, is greater than 35% of AMI contributed toward TTP. When an increase is necessary to reduce a groups rent burden, the payment standard is increased to a level that reduces the average rent burden to 35% of AMI. If this is not possible, the payment standard is raised to the upper limit of the basic range or to the HUD approved fair market rent for an exception area. In addition, the program examines all rental market areas in the state to determine if the payment standard amounts should be adjusted to the maximum allowable standard of 110 percent of the fair market rent.

The DCA has developed a report that projects how a revision to the payment standard will affect the Housing Choice Voucher Program budget before its implementation. The impact of these anticipated costs on current subsidy reserves is thoroughly examined and is a major factor in determining whether an increase is affordable.

On a case-by-case basis, the DCA may request approval from the HUD State Office of an exception payment standard amount above 110 percent of the FMR to 120 percent of the FMR if required as a reasonable accommodation for a family that includes a person with disabilities (see EXHIBIT 9-4).

**NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS**  
**DIVISION OF HOUSING & COMMUNITY RESOURCES**  
**HOUSING CHOICE VOUCHER PROGRAM**

**ADMINISTRATIVE PLAN**

**APPENDIX A**

**DETERMINATION OF FAMILY RENT TO OWNER**

**JULY 2005**

## TABLE OF CONTENTS

<b>I. Definition of Annual Income</b>	<b>Page</b>
Income Inclusions	1
Income Exclusions	2
Projecting Total Annual Income	5
Computing Total Annual Income	5
Income of Dependents	5
Income from Assets	6
Income of Temporarily Absent Military Personnel	6
Income of Confined Household Members	6
Regular Contributions or Gifts	7
Alimony and Child Support	7
Net Income from a Business	7
Lump-Sum Payments Counted as Income	7
Disallowance of Increase in Earned Income for Persons with Disabilities	8
 <b>II. Net Family Assets</b>	
Summary of Asset Inclusions and Exclusions	9
Valuing Assets	11
Assets Disposed of for Less Than Fair Market Value	11
Joint Ownership	12
Annual Income Exercise: Murphy Household	13
• Real Property Worksheet	
• Calculation of Total Annual Income	

## TABLE OF CONTENTS

<b>III. Adjusted Income</b>	<b>Page</b>
Dependent Allowance	16
Elderly/Disabled Household Deduction	16
Child Care Expenses	17
Allowance for Disability Assistance Expenses	18
Medical Expenses	19
Special Calculation for Households That Are Eligible for Disability Assistance Expenses and Medical Expenses	20
Adjusted Income Exercise: Kramden Household	21
• Calculation of Total Annual Income	
 <b>IV. Verification of Income, Assets, and Adjustments to Income</b>	
Verification Requirements	23
Verification Validity Period	23
 <b>V. Exhibits</b>	
A-1 Acceptable Forms of Verification	25
• Income	
• Net Family Assets	
• Adjustments to Income	
A-2 Record of Third Party Verification: Review of Documents	31
A-3 Certification of No Income	32
A-4 Pharmacist's Estimate of Medication Costs	33
A-5 Physician's Estimate of Required Office Visits and Costs	34

## TABLE OF CONTENTS

	<b>Page</b>
A-6 Summary of Medical Expenses	35
A-7 Request for Verification of Income, Benefits or Assets	36
A-8 Verification of Employment	37
A-9 Verification of Benefits	38
A-10 Verification of Bank Accounts	39
A-11 Certification of Need for Live-in Aide	40



**Definition of Annual Income** (see 24 CFR §5.609)

Annual income means all amounts, monetary or not, which:

- Go to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member; or
- Are anticipated to be received from a source outside the household during the 12-month period following admission or annual reexamination effective date; and
- Which are not specifically excluded in 24 CFR §5.609 (c).
- Annual income also means amounts derived (during the 12-month period) from assets to which any member of the household has access.

Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in IRS regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household;
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household. Where the household has net assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in item 17 of Income Exclusions);
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in item 3 of Income Exclusions);

6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
  - (a) The amount of the allowance or grant exclusive of the amount specifically designed for shelter or utilities; plus
  - (b) The maximum amount that the welfare assistance agency could in fact allow the household for shelter and utilities. If the household's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and
8. All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in item 7 of Income Exclusions).

### **Income Exclusions**

Annual income does not include the following:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
3. Lump-sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in item 5 of Income Inclusions);
4. Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member;
5. Income of a live-in aide, as defined in §5.403;
6. The full amount of student financial assistance paid directly to the student or to the educational institution;
7. The special pay to a household member serving in the Armed Forces who is exposed to hostile fire;
8. Amounts received under training programs funded by HUD;

9. Amounts received by a person with a disability that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
10. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
11. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;
12. Incremental earnings and benefits resulting to any household member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a household member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the household member participates in the employment training program;
13. Temporary, nonrecurring or sporadic income (including gifts);
14. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
15. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
16. Adoption assistance payments in excess of \$480 per adopted child;
17. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
18. Amounts received by the household in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
19. Amounts paid by a state agency to a household with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

20. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or amount of housing assistance. The following list of program benefits is the comprehensive list of benefits that currently qualify for the income exclusion stated in 24 CFR §5.609(c)(17):

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act;
- (b) Payments to volunteers under the Domestic Volunteer Services Act;
- (c) Payments received under the Alaska Native Claims Settlement Act;
- (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
- (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;
- (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act;
- (g) Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court;
- (i) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs;
- (j) Payments received from programs funded under Title V of the Older Americans Act;
- (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund;
- (l) Payments received under the Maine Indian Claims Settlement Act;
- (m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991;
- (o) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;
- (p) Any allowance to a child suffering from spina bifida who is the child of a Vietnam veteran;

- (q) Any amount of crime victim compensation received under the Victims of Crime Act;
- (r) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998;
- (s) Increases in the earned income of an adult household member who is a person with disabilities; and
- (t) Any assistance or benefit received from the Medicare Prescription Drug Discount Card or the \$600 transitional assistance credit.

### **Projecting Total Annual Income**

Annual income is the gross amount of income anticipated to be received by the household during the 12 months following the effective date of the certification or reexamination.

The rules are structured so that the definition of annual income includes income from all sources except those specifically excluded by 24 CFR §5.609(c).

### **Computing Total Annual Income**

Use current circumstances to anticipate income, unless verification forms indicate an imminent change.

Annualize all income, including income that may not last the full 12 months (such as unemployment benefits). When circumstances change, an interim reexamination may be processed (EXHIBIT 11-2).

Convert earned income to annual income as follows:

- Multiply average weekly wage by 52.
- Multiply average bi-weekly wage by 26.
- Multiply average semi-monthly wage by 24.
- Multiply average monthly wage by 12.

### **Income of Dependents**

Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse) are excluded.

Income from the employment of children (including foster children) under the age of 18 years is not counted.

Benefits and other non-earned income paid directly to or on behalf of a dependent are counted.

Payments received for the care of foster children or foster adults are not counted.

### **Income from Assets**

When net family assets are \$5,000 or less, count as income the anticipated income to be received from the assets.

When family assets are more than \$5,000, use the greater of:

- The anticipated income from the assets; or
- A percentage of the value of the assets based on the current passbook savings rate.

The current passbook savings rate is 2.0 percent.

For example:

- An applicant has \$8,000 in assets.
- Anticipated income from assets is \$220.
- Amount based on the current passbook savings rate is:

$$\begin{array}{r} 8,000 \\ \times 0.02 \text{ (passbook savings rate)} \\ \hline \$160 \end{array}$$

In this case, use \$220 to compute total annual income.

### **Income of Temporarily Absent Military Personnel**

The program must determine if absent military personnel are household members. If they are, all regular pay, special pay and allowances must be counted even if the full amount is not available to the household. The special pay to a household member who is exposed to hostile fire, however, is not counted.

### **Income of Confined Household Members**

If a household member is confined to a nursing home or a hospital on a long-term or permanent basis, the program must determine whether to:

- Include the income of the household member to take any deductions for which the individual would qualify; or
- Exclude the income and not take any deductions for the individual.

### **Regular Contributions or Gifts**

The program must count as income regular contributions or gifts received from organizations or from persons not residing in the assisted unit.

This may include Medicare insurance premiums paid by the state, rent and utility payments paid on behalf of the household and other cash or non-cash contributions provided on a regular basis.

The program should determine whether non-cash contributions are provided on a regular basis or are temporary, nonrecurring or sporadic contributions that should not be counted.

### **Alimony and Child Support**

Count amounts awarded as part of a divorce or separation agreement unless the program verifies that the income is not provided. If the household is not receiving the full amount, it should have made a reasonable effort to collect amounts due including filing with courts or agencies responsible for enforcing payment.

### **Net Income from a Business**

Income from a business includes net income, salaries and other amounts distributed to household members from the business.

Generally net income equals gross income less business expenses for depreciation of assets based on straight-line depreciation as provided in IRS regulations. Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income.

Withdrawal of cash or assets from a business is counted as income except when the withdrawal is reimbursement of cash or assets invested in the business by the household.

### **Lump-Sum Payments Counted as Income**

Generally, lump-sum amounts received by a household are considered assets, not income. Examples include:

- Inheritances;
- Insurance payments;
- Cash from the sale of property or other assets;
- Lottery winnings paid in one payment; and
- Capital gains.

Lump-sum payments caused by delays in processing periodic payments such as unemployment benefits or welfare assistance are counted as income. However, deferred periodic amounts from

Supplemental Security Income and Social Security benefits that are received in a lump-sum amount or in prospective monthly amounts are excluded.

For example:

Household member lost job on April 20th.

The program processes an interim reexamination, based upon no earned income, which reduces the family rent to owner to zero effective on May 1st.

On June 10th, the household receives a lump-sum payment of \$1,400 to cover the period of time from 4/21 through 6/7 and begins to receive \$200 per week.

The program processes an interim reexamination effective on August 1st which includes the following as annual income:

1,400	Lump-sum payment
+ 10,400	\$200/week unemployment
\$11,800	Total annual income

### **Disallowance of Increase in Earned Income for Persons with Disabilities**

This disallowance applies to households whose annual income increases because of employment of a disabled adult household member in any of the following circumstances:

- The disabled household member who is employed was unemployed for one or more years before employment (this includes people who have earned less than they would have received at minimum wage for 10 hours of work for 50 weeks).
- The disabled household member has increased earnings during participation in any economic self-sufficiency or other job-training program.
- The disabled household member has either increased earnings or new employment and has received assistance, benefits or services from the TANF Program in the last six months worth at least \$500. The benefits and services could include one-time benefits, stipends, wage subsidies, or other forms of assistance.

Effective date of rule: February 20, 2001.

This exclusion applies to the Housing Choice Voucher Program and the following HUD programs:

- Public Housing;
- HOME Investment Partnerships;
- Housing Opportunities for Persons with AIDS; and
- Supportive Housing.



For example:

If a household was receiving public assistance of \$4,078 per year, and a disabled adult household member went to work earning \$5.75 per hour for a 30-hour workweek, the household's income would increase to \$8,970 per year. The \$4,892 difference between the household's former welfare income and the new earned income is the amount subject to the exclusion.

**Initial twelve-month exclusion.** The entire amount of increased earned income is excluded for the first 12 months following the point when the employment begins or the household first experiences an increase in annual income attributable to employment.

**Second twelve-month exclusion and phase-in.** During the second 12-month period, only 50 percent of the increased amount is excluded.

In this case (and assuming no other changes in income during the period discussed), the household's rent would continue to be calculated on the former income of \$4,078 for 12 months and then, during the second 12 months, would be increased by \$2,446, which is 50 percent of the \$4,892 increase in earned income.

There are special provisions for households that move in and out of employment. There is a maximum term for the combined full and 50 percent exclusion of 48 months beginning at the time of the first employment related exclusion. For example, if a disabled household member goes to work on April 15, 2001 and stops work on October 15, 2001 that member would still be entitled to another 6 months of full exclusion. If the disabled person does not return to work until April 15, 2003, the full exclusion period will end on October 15, 2003. At this point, if the disabled person is still employed, they begin the 50 percent exclusion period. Regardless of what may happen in their employment history, they cannot receive the benefit of the 50 percent exclusion period after April 15, 2005, because this is the point when the 48-month limit will be reached.

If the household's income changes in some other way, their share of the rent is adjusted. For example, if a person with additional income joins the household an interim reexamination is conducted as usual.

The disallowance of increases in income does not apply for purposes of admission to the program.

### **Net Family Assets** (see 24 CFR §5.603)

**Assets Include:**

1. The current balance in a savings account and the average balance for the last six months in a checking account. The DCA will disregard the first \$1,000 in a household's checking account.
2. Stocks, bonds, and other forms of capital investment.

3. The equity in real estate. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.
4. The cash value of a trust that is available to the household.
5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.
6. Contributions to company retirement/pension funds. While a person is employed, count only amounts the individual can withdraw without retiring or terminating employment.
7. Personal property held as an investment such as jewelry, gems, coin collections, etc.
8. Lump-sum receipts such as inheritances, insurance payments, capital gains and settlement for personal or property losses.
9. The value of any business or household assets disposed of by an applicant or participant for less than fair market value, during the two years preceding the date of application for the program or reexamination, in excess of the consideration received.
10. Value of life insurance policies with a "cash value" such as whole life, variable life and universal life. (Term insurance policies do not have a cash value.)

**Assets Do Not Include:**

1. Necessary items of personal property such as furniture and automobiles.
2. Interest in Indian trust land.
3. The value of a home currently being purchased with assistance under the Homeownership Program. This exclusion is limited to the first 10 years after the purchase date of the home.
4. Equity in the cooperative unit or manufactured home in which the household lives.
5. The value of a trust fund where the trust is not revocable by, or under the control of, any member of the household.
6. Assets that are part of an active business or farming operation. (Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant's or participant's main occupation.)
7. Assets not accessible to the household and which provide no income to the household.

## Valuing Assets

The value of assets may affect the family rent to owner because of the requirement to "impute" income if assets are greater than \$5,000.

When determining the cash value of an asset, the program must take into consideration the expenses involved in converting the asset to cash, such as:

- Penalties for premature withdrawal;
- Broker and legal fees; and
- Settlement costs for real estate transactions.

## Assets Disposed of for Less Than Fair Market Value

In determining net family assets, the program shall include the value of any business or family assets disposed of by an applicant or a participant for less than fair market value during the two years preceding the date of application for the program or reexamination in excess of the consideration received.

For example:

An applicant "sold" her home to her daughter for \$25,000. The property was valued at \$75,000 and had no loans secured against it. Broker fees and settlement costs are estimated at \$7,500. The amount to be included as an asset is \$42,500.

\$75,000	Market value
- 25,000	Sale price to daughter
<u>- 7,500</u>	Fees
\$42,500	"Cash value"

HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. The program may establish a threshold that will enable us to ignore small amounts such as donations to churches and charitable contributions. The DCA will not take into account an asset disposed of for less than fair market value when the "cash value" of the asset is less than \$1,000.

In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or participant receives important consideration not measurable in dollar terms.

Assets disposed of as a result of a foreclosure or bankruptcy are not considered assets disposed of for less than fair market value.

Verification of the cash value of an asset that was disposed of for less than fair market value is generally done by household certification of the following:

1. Identity of the asset;
2. Date the household disposed of the asset;
3. Amount the household received; and
4. The asset's fair market value at the time of disposition.

### **Joint Ownership**

Assets that, although owned by more than one person, allow unrestricted access by the applicant or participant are counted in full.

## Annual Income Exercise

### Household Composition

Mark Murphy	Age 45	Head of household
Gail Murphy	Age 42	Spouse
Michael Murphy	Age 19	Son
Suzanne Murphy	Age 16	Daughter

### Assets and Income from Assets

Checking account: 6 month average balance equals \$200 with no interest earned.

Savings account: current balance equals \$2,000. Anticipated annual interest earned is \$50.

Rental property appraised at \$80,000 with a mortgage balance of \$60,000.

Property is rented for \$5,400 per year. Annual expenses include:

- Interest on mortgage \$1,200
- Taxes \$2,500
- Insurance \$450
- Maintenance \$600
- Total \$4,750

Anticipated expenses in converting this asset to cash equal 10% of the fair market value of the property.

### Other Income

### Annual Amount

Mr. Murphy	Full-time job @ \$9.50/hour with a 40 hour workweek.	<u>\$19,760</u>
Mrs. Murphy	Part-time job @ \$150/week.	<u>7,800</u>
Michael	Full-time student with a part-time job @ \$8.00/hr. with a 15 hour work week.	<u>480<sup>1</sup></u>
Michael	Receives a scholarship of \$3,500. His tuition, fees, etc. total \$5,000.	<u>N/A</u>
Suzanne	Full-time student with a part-time job @ \$400/month.	<u>N/A</u>
Total		<u>\$28,040</u>

---

<sup>1</sup> Earnings in excess of \$480 for a full-time student who is 18 years old or older are excluded.

## Real Property Worksheet

### 1. "Cash Value" of the Asset:

\$80,000	Fair market value
<u>- 60,000</u>	Mortgage balance
\$20,000	Equity

\$20,000	Equity
<u>- 8,000</u>	Expenses to convert to cash <sup>1</sup>
\$12,000	Cash value

### 2. Income Generated by the Asset:

\$5,400	Annual rental income
<u>- 4,750</u>	Expenses <sup>2</sup>
\$650	Annual income

---

<sup>1</sup> A standard allowance of ten percent of the current fair market value will be used unless the household verifies that their actual expenses were greater. Allowable expenses based upon IRS Publication 2119 *Sale of Your Home* include:

- Commissions
- Advertising
- Attorney and legal fees
- Title insurance
- Transfer and stamp taxes
- Recording fees
- Loan charges such as points charged to the seller

<sup>2</sup> Expenses:

\$1,200	Interest on mortgage
2,500	Taxes
450	Insurance
<u>+ 600</u>	Maintenance
\$4,750	Total

### Calculation of Total Annual Income

1. Type of Asset	2. Cash Value	3. Actual Income
Savings Account	\$2,000	\$50
Checking Account <sup>1</sup>	0	0
Real Estate	12,000	650
Stocks, Bonds, CDs	0	0
Trust Account	0	0
IRA, Keogh	0	0
<b>Total</b>	<b>\$14,000</b>	<b>\$700</b>

If the total in item 2 exceeds \$5,000, complete item 4, otherwise, enter N/A in item 4 and go to item 5.
--

4. Imputed income from assets (item 2 x passbook rate of 2.0%) \$280

5. Annual income	
Wages	\$28,040
Social Security/SSI	0
Welfare	0
Pension	0
Alimony/Child Support	0
Unemployment	0
Disability	0
Net Business Income	0
Other	0
<b>Total</b>	<b>\$28,040</b>

6. Income from assets (greater of item 3 or item 4) \$700

7. Annual income (item 5 + item 6) \$28,740

---

<sup>1</sup> The DCA will disregard the first \$1,000 in a household's checking account.

### **Adjusted Income** (see 24 CFR §5.611)

Adjusted income means annual income less the following:

For all households:

- \$480 for each dependent;
- Reasonable child care expenses; and
- Unreimbursed disability assistance expenses.

For any elderly family or disabled household:

- A \$400 household allowance; and
- Unreimbursed medical expenses.

### **Dependent Allowance**

The household receives a \$480 allowance for each household member who is:

- Under 18 years of age;
- A person with a disability; or
- A full-time student.

The head of household, spouse, foster children, foster adults or live-in aide are never counted as dependents.

A full-time student is a person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program as well as an institution offering a college degree.

### **Elderly/Disabled Household Deduction**

\$400 per household for all households in which the head of household or spouse is at least 62 years of age, or a person with disabilities.

The \$400 is a household deduction. Only one elderly household deduction per household is permitted, even if both the head of household and spouse are elderly or disabled.



## Child Care Expenses

Reasonable childcare expenses for the care of children, including foster children, less than 13 years of age may be deducted from annual income if all of the following are true:

1. The care is necessary to enable a household member to actively seek employment, be gainfully employed, or to further his or her education;
2. An agency or individual outside the household does not reimburse the expense;
3. An adult household member capable of providing child care is not available; and
4. The expenses do not exceed the amount of employment income that is included in annual income.

Child support payments to guardians or estranged partners on behalf of a minor who is not living in the assisted household cannot be deducted.

When more than one household member works, the program must determine which household member is enabled to work. A good general rule would be to assume that the child care expenses enable the lowest paid individual to work, unless this is obviously not the case.

When a household member works and goes to school, the program must prorate the expense so that the appropriate portion can be compared with the amount of employment income that is included in total annual income.

When the same care provider takes care of a child and a person with a disability over the age of 12, the verification must be itemized because of the 3% rule with disability assistance expenses.

### For example:

Head	\$15,000	Wages
Spouse	\$8,000	Wages
Son	Age 12	
Son	Age 15	Person with disabilities

Both sons are cared for by one care provider who charges \$150 per week (\$50 for child care and \$100 for disability assistance expenses).

50 x 52 = \$2,600	Child care
100 x 52 = \$5,200	Total disability assistance expenses
- 690	3% of annual income
\$4,510	Allowable disability assistance expenses

Allowable disability assistance expenses	\$4,510
Allowable child care	+ 2,600
	\$7,110

The total (\$7,110) is allowable because it does not exceed the employment ceiling of \$8,000.

### Allowance for Disability Assistance Expenses

Reasonable expenses that are anticipated for attendant care and auxiliary apparatus for a disabled family member if such expenses:

1. Enable a household member, including the disabled member, to be employed;
2. Exceed three percent of total annual income;
3. Do not exceed the earned income of the household member enabled to work; and
4. Are not reimbursed by an outside source.

Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, special equipment to enable a blind person to read or type, etc., if directly related to permitting the disabled member or other household member to be employed.

For example:

Head	Age 39	Earned income	\$19,000
Spouse	Age 35	Earned income	\$10,000
Son	Age 11	Person with disabilities	

Total disability assistance expenses are \$5,000.

Allowance for disability assistance expenses:

\$29,000	Total annual income
<u>x.03</u>	
\$870	3% of total annual income
\$5,000	Total disability assistance expenses
<u>-870</u>	3% of total annual income
\$4,130	Allowable disability assistance expenses

The \$4,130 allowance for disability assistance is not greater than the amount earned by the household member enabled to work (the spouse).

If the household has both childcare expenses and disability assistance expenses, the expenses must be prorated since they are computed differently.

A household whose head of household or spouse is elderly or a person with disabilities is also permitted a deduction for medical expenses. If a household has both disability assistance expenses and medical expenses, a special calculation is required (see page 20).

## Medical Expenses

A deduction for medical expenses is permitted only for households in which the head of household or spouse is at least 62 years of age or a person with disabilities.

If the household is eligible for a medical expense deduction, the expenses of all household members may be considered.

Medical expenses are "out-of-pocket" expenses anticipated to be incurred by the household during the 12-month certification/reexamination period. They may include:

- Contact lenses and the cost of equipment and materials required for using contact lenses, such as saline solution and enzyme cleaner;
- Dental treatment;
- Eyeglasses and fees paid for eye examinations;
- Hearing aids and the batteries to operate them;
- Hospital services;
- Insurance premiums;
- Laboratory fees;
- Medical services provided by physicians, surgeons, specialists, or other medical practitioners;
- Medicines (except for insulin, only prescribed medicines and drugs are allowed);
- Nursing services;
- Oxygen and oxygen equipment;
- Transportation; and
- X-ray fees.

See EXHIBIT A-1 for a listing of acceptable forms of verification.

The medical expense allowance is that portion of total medical expenses that is in excess of three percent of total annual income.

### For example:

Head of household	Age 62
Spouse	Age 61

Total annual income: \$15,000

Total medical expenses: \$1,500

\$15,000	Total annual income
<u>x 0.03</u>	
\$450	3% of total annual income

\$1,500	Total medical expenses
<u>- 450</u>	3% of total annual income
\$1,050	Allowance for medical expenses

If the household has both disability assistance expenses and medical expenses a special calculation is required (see below).

### **Special Calculation for Households That Are Eligible for Disability Assistance Expenses and Medical Expenses**

If a household has both medical expenses and disability assistance expenses, three percent of total annual income must first be deducted from the disability assistance expenses. Any remainder is deducted from medical expenses.

#### Example #1:

A household has \$1,000 in medical expenses and \$500 in disability assistance expenses. Their total annual income is \$20,000. The disability assistance enables a household member to work and earn \$5,000. Three percent of total annual income is \$600.

Total disability assistance expenses	\$500
Minus three percent of total annual income	<u>-600</u>
	(\$100)
Allowance for disability assistance	0
Total medical expenses	\$1,000
Minus balance of 3% of total annual income	<u>-100</u>
Allowance for medical expenses	\$900

#### Example #2:

A household has \$1,000 in medical expenses and \$4,000 in disability assistance expenses. Their total annual income is \$20,000. The disability assistance enables a household member to work and earn \$3,000. Three percent of total annual income is \$600.

Total disability assistance expenses	\$4,000
Minus 3 % of total annual income	<u>-600</u>
	\$3,400
Allowance for disability assistance (it cannot exceed income earned)	\$3,000
Total medical expenses	\$1,000

Allowable medical expenses (the entire  
3% was deducted to compute the allowance  
for disability assistance) \$1,000

### **Adjusted Income Exercise**

#### Household Composition

Ralph Kramden	Age 63	Head of household
Alice Kramden	Age 60	Spouse, co-head of household

#### Assets

- Joint savings account with a current balance of \$8,000. Projected interest income is \$240.
- Non-interest bearing checking account. The average balance for the last 6 months is \$300.

#### Income

Ralph

- Social Security \$600/month
- Pension \$150/month

Alice

- Part-time job \$200/week

#### Medical Expenses

Ralph

- Medicare premium \$300/year
- Medication \$100/year

#### **Alice**

- Eye examination \$90/year
- Eyeglasses \$150/year
- Health insurance \$600/year

### Calculation of Total Annual Income

1. Type of Asset	2. Cash Value	3. Actual Income
Savings Account	\$8,000	\$240
Checking Account <sup>1</sup>	0	0
Real Estate	0	0
Stocks, Bonds, CDs	0	0
Trust Account	0	0
IRA, Keogh	0	0
<b>Total</b>	<b>\$8,000</b>	<b>\$240</b>

If the total in item 2 exceeds \$5,000, complete item 4, otherwise, enter N/A in item 4 and go to item 5.
--

4. Imputed income from assets (item 2 x passbook rate of 2.0%) \$160

5. Annual income	
Wages	\$10,400
Social Security/SSI	7,200
Welfare	0
Pension	1,800
Alimony/Child Support	0
Unemployment	0
Disability	0
Net Business Income	0
Other	0
<b>Total</b>	<b>\$19,400</b>

6. Income from assets (greater of item 3 or item 4) \$240

7. Annual income (item 5 + item 6) \$19,640

---

<sup>1</sup> The DCA will disregard the first \$1,000 in a household's checking account.

## **Verification of Income, Assets, and Adjustments to Income**

### **Verification Requirements**

The program must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available (see 24 CFR §982.516):

1. Reported total annual income;
2. The value of assets;
3. Expenses related to deductions from total annual income; and
4. Other factors that affect the determination of adjusted income.

All factors affecting eligibility and the family rent to owner must be verified in accordance with the standards of EXHIBIT A-1, Acceptable Forms of Verification.

Three methods of verification are acceptable. They are, in the order of acceptability:

1. Third party written verification (may not be hand-carried by a member of the household), or third party oral verification (direct contact with a reliable source).
2. Review of original documents (EXHIBIT A-2), only when third party verification is not possible.
3. Household certification (notarized statement), when third party verification or review of documents is not possible.

Time limits do not apply to information that does not need to be re-verified (age, disability, etc.).

For interim reexaminations, only those factors that have changed must be re-verified.

All certifications from a third party, including facsimile transmissions, must be on the agency's letterhead, dated and signed by the appropriate representative of the agency.

Only original documents that identify the household member by name or Social Security number are acceptable. The program representative is required to photo-copy any original documents provided by the household, initial and date the copy in the lower right corner, and return the original to the head of household.

Original documents may be photo-copied except where prohibited by law (e.g., Government checks).

### **Verification Validity Period**

All verification documents must be dated and current. A document used to determine initial program eligibility must not be dated more than 60 days before the issuance date of a Voucher. At

the time of execution of a HAP Contract, the program will reconfirm household composition and total annual income. If circumstances have not changed, according to the family, the program does not have to obtain new verifications. If a change in circumstances has occurred, new verifications must be obtained.

A document that is used for an annual reexamination must not be dated more than 120 days before the HAP Contract anniversary date. A document that is used for an interim reexamination must not be dated more than 120 days before the effective date of the interim reexamination. Any verification document that exceeds the applicable validity period must be reverified.



## **Acceptable Forms of Verification**

### **A. Income**

#### **Wages/Salaries**

1. Use of computer matching to obtain wage information electronically from the New Jersey Department of Labor.
2. A *Verification of Employment* form (EXHIBIT A-8) completed by the employer.
3. A signed and dated letter on company letterhead specifying the gross pay per pay period and the payment schedule.
4. Consecutive pay-stubs for a period of at least three months that show the employer's name, gross pay per pay period, and the dates of payment.
5. A notarized certification by the household member that declares the member's total annual income from earnings.

#### **Social Security Benefits**

1. Use of the HUD Tenant Assessment Subsystem (TASS) to obtain current benefit history reports for program participants.
2. A *Verification of Benefits* form (EXHIBIT A-9) completed by the Social Security Administration.
3. An original award or benefit notification letter from the Social Security Administration.
4. A computer printout from the Social Security Administration.

#### **Welfare Benefits**

1. A *Verification of Benefits* form (EXHIBIT A-9) completed by the welfare agency.
2. An original award or benefit notification letter from the welfare agency.
3. A signed and dated letter on the agency's letterhead specifying the gross monthly benefit amount.
4. A check-stub from the welfare agency.

#### **Pensions**

1. A *Verification of Benefits* form (EXHIBIT A-9) completed by the pension provider.
2. An original benefit notice from the pension provider that verifies the payment schedule and the gross benefit amount.
3. An original check-stub from the pension provider showing the monthly gross benefit amount.

### **Alimony or Child Support**

1. A *Verification of Benefits* form (EXHIBIT A-9) completed by the agency that monitors payment (e.g., DYFS, probation, etc.).
2. A computer print-out from the agency that monitors payment.
3. The original court order, separation or settlement agreement, or divorce decree stating the amount of payment, the type of support, and the payment schedule.
4. A notarized letter from the person paying the support identifying the amount of payment, the type of support, and the payment schedule.
5. A notarized certification by the head of household that declares the amount being received, the payment schedule and the name and address of the payer.

### **Unemployment Benefits**

1. Use of computer matching to obtain unemployment compensation information electronically from the New Jersey Department of Labor.
2. A *Verification of Benefits* form (EXHIBIT A-9) completed by the unemployment agency.
3. An original benefit notice or unemployment check-stub, or computer printout from the unemployment agency showing the weekly benefit rate.

### **Disability or Worker's Compensation**

1. A *Verification of Benefits* form (EXHIBIT A-9) completed by the benefit provider.
2. An original benefit notification letter from the benefit provider that verifies the payment schedule and the gross benefit amount.

### **Self Employment**

1. A certified IRS tax return, for the prior year, including Schedule C, *Profit or Loss from Business or Profession*, and any other applicable attachments.
2. A certified accountant's financial statement showing the net annual income of the business.
3. A notarized certification by the head of household that declares the net income realized from the business during the previous year.

### **Regular Contributions or Gifts**

1. A notarized certification by the person or agency providing the assistance stating the purpose of the gifts, the dates given and the value of the gifts.
2. A notarized certification by the head of household identifying the provider's name and address, the purpose of the gifts, their value, and the dates received.
3. The Benefit History Report from the Social Security Administration to verify that the state, another person, or another organization is paying the Medicare insurance premiums. (If there is a "Y" under Buy-in on the form, this indicates a third-party pays the insurance.)

### **Household with No Income**

1. The head of household completes a *Certification of Household Income* form and certifies that the household is receiving no income.
2. Each month, until a stable source of income is verified, the head of household must certify that the household receives no income by signing a *Certification of No Income* form (EXHIBIT A-3).

### **B. Net Family Assets**

#### **Savings Accounts and Checking Accounts**

1. A *Verification of Bank Accounts* form (EXHIBIT A-10) completed by the financial institution.
2. An account statement or passbook from the financial institution showing the current balance in a savings account and the rate of interest.
3. A program representative may verify the average balance for last six months in a checking account by using the *Record of Third Party Verification: Review of Documents* form (EXHIBIT A-2).

#### **Stocks, Bonds, Treasury Bills, Money Market Funds and Certificates of Deposit**

1. A *Verification of Bank Accounts* form (EXHIBIT A-10) completed by the financial institution.
2. An original monthly or quarterly statement, or a letter from the broker or financial institution showing the value of the stock or bonds and the projected earnings.
3. If the number of stock shares has been verified, the current market value of the stock and dividends can be determined by checking the financial section of a newspaper. This information may be documented on the *Record of Third Party Verification: Review of Documents* form (EXHIBIT A-2) or by the newspaper clipping.
4. Verification of the issuance date and total face value of U.S. Savings Bonds may be documented on the *Record of Third Party Verification: Review of Documents* form (EXHIBIT A-2). The current cash value of the bonds can then be determined by referring to the U. S. Department of the Treasury publication, *Values for U. S. Savings Bonds*.

#### **Real Estate**

1. The market value of real estate is verified by the municipal tax office's assessed valuation (if it uses approximate market value), or by an appraisal from a licensed real estate broker.
2. Verification of the household's expenses includes documentation such as a statement from the lender stating the monthly interest and the outstanding balance of any mortgages and/or loans on the property, property tax statements, insurance premiums, receipts for reasonable maintenance and bills for owner-furnished utilities.
3. Any rental income received may be verified by a certified IRS tax return with schedule E, *Rental Income*, for the previous year, or by the current lease or lease renewal agreement.

EXHIBIT A-1

4. A standard allowance of 10% of the current fair market value of the property will be used to estimate the household's expenses in converting the asset to cash unless the household verifies that their actual expenses were greater. Allowable expenses, based upon IRS Publication 2119, *Sale of Your Home*, are listed on page 14.

**Trust Accounts**

A letter or financial statement from the administrator of the trust showing the current balance of the trust, the schedule of any periodic payments to household members identified as recipients of the trust, and the extent of access that the household members have to the trust.

**Individual Retirement Account, Keogh, 401(k), and Similar Retirement Accounts**

1. A *Verification of Bank Accounts* form (EXHIBIT A-10) completed by the financial institution.
2. A statement or letter from the financial institution or employer that identifies the type of account, the current balance, rate of return, and the penalty for early withdrawal.

**Contributions to Company Retirement Accounts**

A certification from the employer that states the amount the individual can withdraw from the account without retiring or terminating employment.

**Personal Property Held as an Investment**

An appraisal by a recognized authority in the field that describes the personal property held as an investment, the current market value of the assets and the costs, if any, associated with converting the assets to cash.

**Inheritances, Lottery Winnings, Capital Gains, Insurance Settlements and Other Lump-Sum Amounts Including Cash On-hand**

1. A letter from the provider of the lump-sum that verifies the total amount the household received and the date the lump-sum payment was issued to the household.
2. A notarized certification from the head of household that identifies the source of the payment, the date the household received the lump-sum, and the total amount received.
3. A notarized certification from the head of household of amounts in a safe deposit box and cash on-hand that the household has elected not to put into savings accounts.

**Assets Disposed of for Less Than Fair Market Value During the Two Years Preceding the Effective Date of Certification/Reexamination**

A notarized certification by the head of household of all of the following is required:

1. Identification of the asset;
2. Date the household disposed of the asset;

3. Amount the household received; and
4. The market value of the asset at the time of disposition.

### **Value of Life Insurance Policies**

A letter from the agent or an administrative officer of the insurance company stating the type of policy, whether it produces a dividend, and its current cash value, if any.

## **C. Adjustments to Income**

### **Dependents**

Adult Full-time Student. A certification from the registrar's office or appropriate school official stating the household member is carrying a subject load that is considered full-time for day students under the standards and practices of the institution.

New Household Member. The program will photocopy the new household member's birth certificate, social security card, and/or other appropriate documentation to verify the name, sex, social security number, date of birth, and relationship to the head of household.

### **Child Care Expenses**

A notarized certification from the person providing the service or a letter from the day care center. The verification document must specify the names of the children cared for, the number of hours the service is provided and the frequency and amount of compensation received. If child care is necessary so that a household member can seek employment, the household member also must submit a certification that justifies the total number of hours identified in the child care provider's verification document and must provide a further break-down of the total hours if child care is also needed to further his or her education.

### **Disability Assistance Expenses**

An allowance for disability assistance is permitted if a medical doctor or a rehabilitation agency has certified that the disabled person requires the services of an attendant or the use of auxiliary apparatus to permit the disabled person to be employed or to function sufficiently independently to enable another household member to be employed.

1. Written certification by the attendant of the number of hours of care provided, the cost, and the frequency of payments received from the household.
2. Receipts for the purchase of, or evidence of monthly payment for, auxiliary apparatus. Auxiliary apparatus includes wheelchairs, ramps, adaptations to vehicles, special equipment to enable a blind person to read or type, etc.

### **Elderly/Disabled Household Deduction**

Elderly person. The program will photocopy the household member's birth certificate.

Person with disabilities. Verification that the head of household or spouse is a person with disabilities is by receipt of Social Security Disability or Supplemental Security Income benefits, or by certification of a physician on a *Certification of Disability* form (EXHIBIT 5-3).

### **Medical Expenses**

An allowance for medical expenses is permitted only for households in which the head of household or spouse is at least 62 years of age, or a person with disabilities.

1. The certification of a doctor, dentist, pharmacist, or hospital or clinic administrative officer of the estimated medical costs to be incurred by the household. Agency developed forms are available to project pharmaceutical expenses (EXHIBIT A-4) and the cost of doctor visits (EXHIBIT A-5).
2. A payment agreement with a medical facility or cancelled checks that verify payments made on outstanding medical bills that will continue over all or part of the certification period.
3. Social Security Administration's written notice of Medicare premiums.
4. Health insurance company's billing statement or the household's personal check or money order documenting insurance premiums. If the household member is employed, see pay-stubs or request employer's written confirmation.
5. Receipts or other records of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses.
6. A certification from the provider of medical assistance of the number of hours the service is provided at the assisted unit and the frequency and amount of compensation received from the household.

New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program

**Record of Third Party Verification: Review of Documents**

Re: \_\_\_\_\_  
Applicant/Participant Case Number

Document(s) Viewed: \_\_\_\_\_

\_\_\_\_\_

Or, Person Contacted: \_\_\_\_\_

Representing: \_\_\_\_\_

Item Verified: \_\_\_\_\_

Information Supplied: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature of Program Representative

\_\_\_\_\_  
Date of Signature

New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program

**Certification of No Income**

I certify that my household does not receive earned income, benefits, or dividends of any kind. I understand that it is my responsibility to provide information concerning any income received by my household and that this information must be reported promptly to a representative of the Housing Choice Voucher Program.

I understand that a program representative will conduct monthly examinations of my household's income until some form of income can be verified.

Sworn to or affirmed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

My commission expires \_\_\_\_\_

Signature of Notary \_\_\_\_\_

Affix seal

\_\_\_\_\_  
Signature of Deponent

**Warning:** Section 1001 of Title 18 of the United States code makes it a criminal offense to make willful false statements or misrepresentations to any department or agency of the United States as to any matter within its jurisdiction.



New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program

**Pharmacist's Estimate of Medication Costs**

Name of person: \_\_\_\_\_

It is estimated that the above-named person will require the following medications during the next twelve months:

at an estimated monthly cost of \$\_\_\_\_\_.

Name of Pharmacy: \_\_\_\_\_

Address: \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Signature: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program

**Physician's Estimate of Required Office Visits and Costs**

Name of patient: \_\_\_\_\_

It is estimated that the above-named patient will be required to visit my office for examination or treatment on \_\_\_\_\_ occasions during the next twelve months.  
(number)

The fee for services for each visit is estimated at \$\_\_\_\_\_ .

It is estimated that the patient will require the following medications during the next twelve months:

Name of Physician: \_\_\_\_\_

Address: \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Signature and Date: \_\_\_\_\_

### Summary of Medical Expenses

Head of Household: \_\_\_\_\_ Tenant ID: \_\_\_\_\_

Certification/Reexamination Period: From \_\_\_\_\_ To \_\_\_\_\_

#### 1. Required Office Visits for Medical Treatments

Family Member	Cost Less Insurance Payment	X	No. of Projected Treatments	=	Projected Cost
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____

#### 2. Medical Insurance

Family Member	Premium Cost	X	Frequency Per Year	=	Projected Cost
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____

#### 3. Cost of Prescription Medicines

\_\_\_\_\_

#### 4. Miscellaneous Medical Expenses

Family Member	Medical Expense Description	Projected Cost
_____	_____	_____
_____	_____	_____
_____	_____	_____

#### 5. Grand Total

\_\_\_\_\_

EXHIBIT A-7

New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program  
Field Office Address  
City, State, Zip Code

<<'Today's Date'>>

<<Employer, SSA, etc.>>  
<<Address>>  
<<City, State, Zip Code>>

Re: <<Applicant/Participant>>  
<<Address>>  
<<City, State, Zip Code>>

Dear <<Mr./Ms. >>:

The New Jersey Department of Community Affairs, Division of Housing, in accordance with the federal regulations for the Housing Choice Voucher Program, must verify information to determine if the above referenced household is eligible to participate or continue to participate in the Housing Choice Voucher Program. This person has agreed to this verification process as evidenced by their signature on the attached *Authorization for the Release of Information/Privacy Act Notice* form.

This letter represents a formal request to supply the information requested on the attached form.

Please complete and return the attachment along with any supporting documents to my attention as soon as possible. A self-addressed stamped envelope is provided for your convenience. Should you have any questions regarding this matter, please do not hesitate to contact me at <<PHA Phone>>.

Thank you for your cooperation.

Sincerely,

Program Representative

Enclosures (2)

New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program

**Verification of Employment**

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Present position \_\_\_\_\_ Date employment began \_\_\_\_\_

Hourly rate of pay

Regular hours \$ \_\_\_\_\_ Overtime \$ \_\_\_\_\_

Payment schedule: ☐ Weekly ☐ Monthly ☐ Bi-weekly (26 x year) ☐ Semi-monthly (24 x year)

Average number of hours worked per week

Regular hours \_\_\_\_\_ Overtime \_\_\_\_\_

Effective date of current salary \_\_\_\_\_

Is an increase anticipated? ☐ Yes ☐ No Effective on \_\_\_\_\_

New rate \$ \_\_\_\_\_ per ☐ Hour ☐ Week ☐ Month ☐ Year

Total earnings for the last 12 months \$ \_\_\_\_\_

Total incentive pay, bonus, commissions, tips, etc. received in the last quarter \_\_\_\_\_

Comments \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Certification.** This form must be completed and signed by the personnel officer, timekeeper, bookkeeper, or accountant.

Signature \_\_\_\_\_

Title \_\_\_\_\_

Telephone Number \_\_\_\_\_

Date of Signature \_\_\_\_\_

New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program

**Verification of Benefits**

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Indicate the gross monthly benefit amount the household receives from your agency and the payment schedule:

- ☐ TANF Assistance \_\_\_\_\_
- ☐ Alimony \_\_\_\_\_
- ☐ Child Support \_\_\_\_\_
- ☐ Disability or Worker's Compensation \_\_\_\_\_
- ☐ General assistance \_\_\_\_\_
- ☐ Pension \_\_\_\_\_
- ☐ Social Security Benefits \_\_\_\_\_
- ☐ Social Security Disability \_\_\_\_\_
- ☐ Supplemental Security Income \_\_\_\_\_
- ☐ Unemployment Benefits \_\_\_\_\_
- ☐ Other \_\_\_\_\_

Benefits Began \_\_\_\_\_ Termination Date (if applicable) \_\_\_\_\_

Comments \_\_\_\_\_

\_\_\_\_\_

Print Name of Agency Representative \_\_\_\_\_

Signature \_\_\_\_\_

Date of Signature \_\_\_\_\_

Telephone Number \_\_\_\_\_

New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program

**Verification of Bank Accounts**

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

- Please List All Accounts -

1. Account number: \_\_\_\_\_

Type of account: \_\_\_\_\_

Current balance: \_\_\_\_\_

Rate of interest: \_\_\_\_\_

2. Account number: \_\_\_\_\_

Type of account: \_\_\_\_\_

Current balance: \_\_\_\_\_

Rate of interest: \_\_\_\_\_

3. Account number: \_\_\_\_\_

Type of account: \_\_\_\_\_

Current balance: \_\_\_\_\_

Rate of interest: \_\_\_\_\_

\_\_\_\_\_  
Name of Bank Officer

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number

Stamp of Banking Institution

New Jersey Department of Community Affairs  
Division of Housing  
Housing Choice Voucher Program

**Certification of Need for Live-in Aide**

For: \_\_\_\_\_ Tenant ID: \_\_\_\_\_

The Housing Choice Voucher Program regulations (24 CFR §5.403) define a live-in aide as a person who resides with one or more elderly persons, or near-elderly<sup>1</sup> persons, or persons with disabilities, and who:

1. Is determined to be essential to the care and well-being of the person(s);
2. Is not obligated for the support of the person(s); and
3. Would not be living in the assisted housing unit except to provide the necessary supportive services.

I certify that the above referenced person requires the assistance of a live-in aide for a minimum of \_\_\_\_\_ days a week and between the hours of \_\_\_\_\_ to \_\_\_\_\_ (specify A.M. or P.M.) to perform essential care.

Physician's Name \_\_\_\_\_

Physician's License Number \_\_\_\_\_

Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

Physician's Signature \_\_\_\_\_

Date of Signature \_\_\_\_\_

<sup>1</sup> Near-elderly family means a family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.